



# Biotech Daily

Friday March 14, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: STARPHARMA UP 5.5%, BENITEC DOWN 14%**
- \* **JAPAN APPROVES STARPHARMA VIVAGEL CONDOM COATING**
- \* **PSIVIDA PLACES \$8m WITH RA CAPITAL**
- \* **VIRAX REQUESTS TRANSACTION TRADING HALT**
- \* **ORBIMED PROVIDES UNILIFE \$66.5m DEBT FINANCING**
- \* **CORMORANT, BVF, ABINGWORTH, SABBY SUBSTANTIAL IN VIRALYTICS**

## MARKET REPORT

The Australian stock market fell 1.54 percent on Friday March 14, 2014 with the S&P ASX 200 down 83.2 points to 5,329.4 points.

Nine of the Biotech Daily Top 40 stocks were up, 20 fell, six were unchanged and five were untraded. All three Big Caps fell.

Starpharma was the best, up four cents or 5.5 percent to 77 cents with 1.8 million shares traded, followed by Phosphagenics up five percent to 10.5 cents with 425,285 shares traded.

Anteo, Pharmaxis and Universal Biosensors climbed more than four percent; Viralytics rose 2.9 percent; with Ellex, Nanosonics and Neuren up more than one percent.

Benitec led the falls, down 26 cents or 14.05 percent to \$1.59 with 1.7 million shares traded.

Genetic Technologies lost 9.2 percent; IDT fell 6.25 percent; Alchemia shed 5.2 percent; Avita fell four percent; Acrux, Admedus, Cellmid and Optiscan were down three percent or more; Bionomics, GI Dynamics, Impedimed, Mesoblast, Patrys, QRX and Resmed shed more than two percent; Reva, Sirtex and Tissue Therapies were down more than one percent; with Clinuvel, Cochlear, CSL and Prana down by less than one percent.

## STARPHARMA

Starpharma says that regulatory certification has been granted for marketing Vivagel-coated condoms in Japan, the world's second largest condom market.

Starpharma chief executive officer Dr Jackie Fairley told Biotech Daily that Vivagel's anti-microbial action provided additional protection against sexually transmitted infections.

"Condoms don't provide 100 percent protection so as additional protection to a physical barrier, consumers want a chemical barrier," Dr Fairley said.

"Sometimes condoms break or slip and Vivagel's antiviral properties provide additional protection," Dr Fairley said.

Starpharma said it had licenced Vivagel as a condom coating to the Tokyo-based Okamoto Industries, the market leader for condoms in Japan, the world's second largest condom market.

The company said that Vivagel-coated condoms sold by Okamoto would carry the Vivagel brand and it would receive royalties based on sales of the condoms.

Starpharma chief executive officer Dr Jackie Fairley said the "receipt of the world's first marketing approval for a Vivagel-coated condom in Japan marks a major milestone for this product and for our strategically important partnership with Okamoto".

The company said that Okamoto had 60 percent of Japan's \$US500 million condom market.

Starpharma said that Okamoto held "strong market positions in several other Asian markets, including Korea, Taiwan, Malaysia, Singapore and China".

The company quoted Okamoto senior managing director Seiji Takeuchi saying in January that condoms with functional coatings and gels were the next wave of innovation in the Japanese condom market following on from a decades-long focus on condom thinness.

Starpharma said it had a separate licensing agreement with Ansell which provided marketing rights to a Vivagel-coated condom in countries outside Japan and the company looked forward to further regulatory approvals under that partnership.

Starpharma was up four cents or 5.5 percent to 77 cents with 1.8 million shares traded.

## PSIVIDA

Psivida says it has a \$US6,987,000 (\$A7,736,570) securities purchase agreement with the Sydney-based RA Capital .

Psivida said that RA Capital would invest about \$US7.0 million in a registered direct offering through the sale of 1.7 million shares at \$US4.11 per US share.

The company said that the offer was expected to close on or about March 18, 2014 and the proceeds would accelerate its Tethadur program, fund its clinical trials for posterior uveitis and for general corporate purposes.

Psivida said that Northland Securities was the sole placement agent for the offering.

Psivida was untraded at \$4.85.

## VIRAX HOLDINGS

Virax has requested a trading halt "pending the release of an announcement in relation to a significant transaction".

Trading will resume on March 18, 2014 or on an earlier announcement.

Virax last traded unchanged at 1.5 cents with 2.2 million shares traded.

## UNILIFE CORPORATION

Unilife Corporation says it has a \$US60 million (\$A66.5 million) debt financing agreement with the New York-based Orbimed.

Unilife said that \$US40 million was funded at the close of the deal, with two additional tranches of \$US10 million each to be provided in December 2014 and June 2015.

The company said the loan had a six year term with interest-only payments at 10.25 percent per annum, with the principal to be repaid by March 12, 2020.

Unilife said that Orbimed would receive a tiered royalty payment based on net sales generated by Unilife during each fiscal year of the agreement, with a maximum royalty rate of 2.75 percent of annual net sales.

The company said that the royalty rate decreased as annual net sales increased and total royalties were capped and it had the option to buy out the royalty payment.

Unilife was up seven cents or 8.7 percent to 87.5 cents with 2.6 million shares traded.

## VIRALYTICS

Cormorant Healthcare, BVF Partners, Abingworth Bioventures and Sabby Healthcare have become substantial in Viralytics in its \$27 million placement (BD: Mar 13, 2014).

The Boston, Massachusetts-based Cormorant Global Healthcare Master Fund said it had acquired 16,420,361 shares or 8.9 percent of Viralytics.

The San Francisco, California-based BVF Partners and Mark Lampert said they held 12,315,270 shares or 6.69 percent of the company.

The London, UK-based Abingworth Bioventures said it held 11,288,998 shares or 6.14 percent of Viralytics.

The New Jersey-based Sabby Healthcare Volatility Master Fund said it had acquired 10,671,786 shares or 5.8 percent of the company.

Viralytics was up one cent or 2.9 percent to 36 cents.