



# Biotech Daily

Tuesday May 13, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: ANALYTICA UP 12%, UNIVERSAL BIO DOWN 28%**
- \* **FEDERAL GOVERNMENT: '\$20b MEDICAL RESEARCH FUND'**
- \* **OSPREY LABEL EXTENSION TRIAL ON TRACK FOR MID-2015**
- \* **US PATENT FOR USCOM BP+, CAPITAL RAISING TRADING HALT**
- \* **RHINOMED TRIAL: 'TURBINE NASAL PLUGS INCREASE POWER'**
- \* **CAPITAL GROUP TAKES 9% OF GI DYNAMICS**
- \* **PRANA APPOINTS PROF IRA SHOULSON DIRECTOR**

## MARKET REPORT

The Australian stock market climbed 0.91 percent on Tuesday May 13, 2014 with the S&P ASX 200 up 49.8 points to 5,498.2 points. All three Big Caps were up.

Seventeen of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and six were untraded.

Analytica was the best, up 0.4 cents or 11.8 percent to 3.8 cents with five million shares traded.

Benitec climbed 5.4 percent; GI Dynamics, Living Cell, Medical Developments and Oncosil were up more than four percent; Antisense, Ellex and Tissue Therapies were up more than three percent; Bionomics, Prana, Prima, Psivida and Sirtex rose more than two percent; CSL, Mesoblast, Pharmaxis, Resmed and Viralytics were up more than one percent; with Cochlear up 0.85 percent.

Universal Biosensors led the falls for the second day in a row, down six cents or 27.9 percent to 15.5 cents with 2.5 million shares traded.

Circadian lost 6.25 percent; Biotron fell five percent; both Atcor and Cellmid fell four percent; Phosphagenics was down 3.6 percent; Impedimed shed 2.6 percent; Nanosonics and Neuren were down more than one percent; with Starpharma down 0.75 percent.

## FEDERAL GOVERNMENT

The Federal Government says it will create a \$20 billion Medical Research Future Fund to be fully-funded by 2020.

A Federal Government source told Biotech Daily that the outline of the Fund was disseminated earlier today and the details would be in tonight's Budget.

Full details on the Budget will be in tomorrow's edition.

## OSPREY MEDICAL

Osprey expects to complete its 700-patient trial of the Avert cardiac dye reduction system by April 2015, with a US Food and Drug Administration application filed by May 2014.

Osprey chief executive officer Mike McCormick and sales vice-president Hank Butcher were in Melbourne meeting investors ahead of tomorrow's annual general meeting in Sydney.

Mr McCormick told Biotech Daily that the Avert system was already approved as a dye reduction system and the trial was to provide evidence for the extension of label to include a claim for contrast-induced nephropathy.

Mr McCormick said that 20 of 45 hospitals targeted for the trial had been approved and were enrolling patients.

Mr McCormick said that there were six participating hospitals in Australia and six in Germany, with the balance in the US.

He said that the Avert system controlled the volume of dye being pushed into the coronary arteries, thereby reducing the amount used.

Mr McCormick said that the company would begin building its sales force once it had "tier one" evidence.

He said that the company expected it would need to raise capital at that time, expected to be after June 2015.

Mr Butcher said that 30 to 35 sales staff would be required to cover the US.

Mr Butcher said that cardiologists were very aware of the problems caused by contrast-induced nephropathy and that a reduction of dye by 40 percent was of great interest to both cardiologists and hospital administration.

Mr McCormick said that about 25 percent of patients requiring contrast were at risk of kidney impairment which could cost a hospital about \$US18,000 per event.

Osprey was unchanged at 50 cents.

## USCOM

Uscom says the US Patent and Trademark Office has allowed a patent entitled 'Non-invasive measurement of supra systolic blood pressure'.

Uscom said the patent was filed on March 13, 2010, implying coverage until 2030.

The company said that the patent method was central to the operations of the Uscom BP+ supra-systolic oscillometric blood pressure monitor, which had US Food and Drug Administration clearance and had completed the Conformité Européenne (CE) mark process to sell in Europe.

Uscom said it acquired the assets of Pulsecor in June 2013, including all the intellectual property and manufacturing rights for the BP+ blood pressure monitor.

Separately, Uscom requested a trading halt "pending an announcement in relation to a potential capital raising".

Trading will resume on May 15, 2014 or on an earlier announcement.

Uscom last traded at 29 cents.

## RHINOMED

Rhinomed says that six of nine bicycle riders in an independent trial of its Breatheassist Turbine nasal plugs had an increase in power output.

Rhinomed said the trial was conducted by Ridewiser in Melbourne and showed the six riders “increased their power output at an average of 6.5 percent or 20 watts with the total group [of nine] reporting a 3.7 percent increase in power”.

The company said that during the eight week trial riders using the Turbine travelled 143 metres further during the high exertion time trial when compared to not wearing the Turbine.

Rhinomed chief executive officer Michael Johnson said the trial “sought to provide independent real world validation of the effect of the Turbine on athletes”.

Mr Johnson said the impact of 38 percent more air provided more power and greater distance.

“Power is the Holy Graal of cycling,” Mr Johnson said. “The more of it you have, the faster you can ride a bike over a given distance.”

Rhinomed said that the crossover, un-blinded trial consisted of nine A and B grade qualified racing cyclists in an eight week program testing at both endurance levels, or 65 to 75 percent of maximum heart rate, and at threshold levels, or 80 to 90 percent of maximum heart rate, with and without the Turbine.

Rhinomed sports medical advisor Dr Mitch Anderson said that “in an era when every little advantage makes a world of difference, the Turbine delivers a very clear benefit”.

“Breathing better allows the body to focus energy on the muscles that need it, when they need it,” Dr Anderson said.

Rhinomed said that six of the nine riders showed an increase in power with the Turbine, two showed less than one percent change and one showed a decrease in power output on the threshold exertion test.

Rhinomed was up 0.1 cents or 5.3 percent to two cents with 2.3 million shares traded.

## PRANA BIOTECHNOLOGY

Prana says it has appointed Huntington Study Group and Parkinson Study Group founder Prof Ira Shoulson as a non-executive director, effective immediately.

Prana said that Prof Shoulson had concluded his elected term as chair and president of the Huntington Study Group.

The company said that Prof Shoulson was the Washington, DC-based Georgetown University professor of neurology, pharmacology and human science at and director of the University’s program for regulatory science and medicine.

Prana said that Prof Shoulson was also the principal investigator of the Georgetown University Center of Excellence in Regulatory Science and Innovation, one of four research and education centers funded by the Food and Drug Administration.

The company said that Prof Shoulson had served as a consultant to, and member of, several FDA advisory committees over the past three decades and had been involved in eight successful new drug applications to the FDA, notably long-acting methylphenidate for attention deficit disorder, rasagiline for Parkinson’s disease, and tetrabenazine, the first FDA approved drug for the treatment of chorea in Huntington’s disease.

Prana executive chairman Geoffrey Kempler said that Prof Shoulson’s clinical and regulatory experience “will be pivotal as Prana prepares to meet with regulators later this year to chart the next steps in PBT2’s development as a treatment for Huntington disease”.

Prana was up half a cent or 2.9 percent to 17.5 cents.

## GI DYNAMICS

The Los Angeles, California-based Capital Group Companies has become a substantial shareholder in GI Dynamics with 43,140,000 Chess depositary interests (9.25%). Capital Group said that it bought the 43,140,000 CDIs at an average price of 52 cents per CDI, the same price as the placement earlier this month (BD: May 2, 2014). GI Dynamics was up 2.5 cents or 4.85 percent to 54 cents.