



Biotech Daily

Friday May 16, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: COMPUMEDICS UP 21%, USCOM DOWN 14%**
- * **PHOSPHAGENICS EX-CEO DR ESRA OGRU CHARGED WITH THEFT**
- * **EX-ACTINOGEN DAVID ZOHAR 5 MONTHS GAOL FOR MISLEADING ASX**
- * **GI DYNAMICS: '6 ENDOBARRIER PATIENTS CEASE INSULIN, 5 REDUCE'**
- * **JANSSEN ENDS PHYLOGICA ENDOSOMAL ESCAPE TRAP DEAL**
- * **PHYLOGICA, PHOSPHAGENICS NY'S METIER TRIBECA PARTNER BROKE**
- * **SIMAVITA PLEADS SCHULTZ, SHAW REPORT TO ASX 25% QUERY**
- * **GENETIC TECHNOLOGIES REDUCES DR MERVYN JACOBSON TO 5%**
- * **PERPETUAL TAKES PROFIT, AGAIN, DOWN TO 7% OF SIRTEX**
- * **NESTOR BELOW 5% IN GENERA**

MARKET REPORT

The Australian stock market fell 0.58 percent on Friday May 16, 2014 with the S&P ASX 200 down 31.8 points to 5,479.0 points. Thirteen of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and two were untraded. All three Big Caps fell.

Compumedics was the best, up 1.9 cents or 20.9 percent to 11 cents with 39,175 shares traded, followed by Circadian up 11.9 percent to 23.5 cents with 29,000 shares traded and Benitec up 10.2 percent to \$1.13 with 715,706 shares traded.

Cellmid and Psivida climbed more than eight percent; GI Dynamics was up 6.5 percent; Prana and Viralytics were up more than three percent; Biotron, Genetic Technologies, Nanosonics and Pharmaxis rose more than two percent; with Tissue Therapies up 1.6 percent.

Uscom led the falls, down four cents or 13.8 percent to 25 cents with 1,250 shares traded.

Prima lost 9.8 percent; Optiscan, Osprey and Universal Biosensors fell more than six percent; Clinuvel was down 5.3 percent; Oncosil fell four percent; Bionomics, Neuren and Phosphagenics shed more than two percent; Acrux, Admedus, Alchemia, Mesoblast, Resmed and Sirtex were down one percent or more; with Cochlear and CSL down by less than one percent.

PHOSPHAGENICS

Phosphagenics former chief executive officer Dr Esra Ogru has been charged with nine counts relating to the alleged theft of about \$5.7 million from the company.

An officer of the Melbourne Magistrates Court told Biotech Daily that Dr Ogru appeared before Magistrate Charles Rozencwajg charged with four counts of dishonestly obtaining money, three counts of conspiracy to obtain property by deception and two counts of using of her position to gain advantage.

The Court officer said that Dr Ogru was released on bail to a further committal hearing on August 11, 2014.

The Court officer said that the case against Dr Ogru was being run by the Australian Securities and Investments Commission.

Phosphagenics fell 0.2 cents or 2.4 percent to eight cents.

THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

ASIC says that former Actinogen executive director, David Alan Zohar, has been sentenced to 14 months in gaol for providing false and misleading information to the ASX. ASIC said that Mr Zohar appeared in the Perth District Court on February 14, 2014 and admitted to providing the information in connection with Aluminex Resources September 2008 float (BD: May 29, 2012; Feb 18, 2014).

ASIC said that Mr Zohar was ordered to serve five months before being released on a \$5,000 good behavior bond.

GI DYNAMICS

GI Dynamics says six of 11 patients with obesity and type 2 diabetes using its Endobarrier duodenal liner were able to cease insulin therapy, with the other five reducing their intake. GI Dynamics said that the findings from a retrospective analysis of 100 patients in Australia were presented at the American Association for Clinical Endocrinology meeting in Las Vegas, Nevada.

Sydney's St Vincent's Clinic and Macquarie Hospital gastro-intestinal surgeon Prof Reginald Lord said that "while based on a small number of patients, these findings show that Endobarrier therapy has a real, immediate impact on glycaemic levels".

"[The] Endobarrier therapy offers the opportunity for patients to reduce their reliance on insulin, which is often viewed as a last resort treatment for diabetes," Prof Lord said. "We view Endobarrier therapy as a non-surgical treatment option that possibly extends the utility of their existing pharmaceutical treatment regimens."

GI Dynamics said that the retrospective analysis reviewed the medical records and nationwide patient registry of the first 100 Endobarrier patients in Australia and 11 of the 100 patients required insulin to manage their type 2 diabetes, but following the endoscopically-delivered Endobarrier, there was an overall insulin reduction.

GI Dynamics said that six of the 11 insulin-treated patients were able to completely cease use of insulin therapy with the Endobarrier in place and the remaining five insulin-treated patients were able to decrease their insulin in frequency, daily dose or both.

GI Dynamics said that all patients maintained use of oral diabetes medications.

The company said that overall reduction in concomitant insulin use was accompanied by a lowering of HbA1c blood glucose levels to 7.3 percent, from 8.8 percent at baseline.

GI Dynamics said that the analysis also showed the positive effects of the Endobarrier on weight, with patients achieving a median weight loss of 11.1kg at study follow-up.

GI Dynamics was up 3.5 cents or 6.5 percent to 57 cents.

PHYLOGICA

Phylogica says that Janssen Biotech has decided not to exercise its option to licence the outcome of the collaboration that validated the Endosomal Escape Trap platform.

The Phylogica and Janssen collaboration began in 2011 and was expanded following the identification of Phylomers that targeted the tissue-type of interest and internalized a payload within the cell, known as 'endosomal escape' (BD: Jan 22, 2012; Jul 1, 2013).

Phylogica said that Janssen had acknowledged it had delivered on the technical requirements of the collaboration.

The company said that it benefitted from the \$2.32 million invested by Janssen creating and validating the proprietary Endosomal Escape Trap platform that facilitated the discovery of more sophisticated cell-penetrating drugs to treat disease.

Phylogica said that Endosomal Escape Trap testing showed that it could make some existing drug treatments 25 to 50 times more effective.

Phylogica major shareholder Dr Bernard Hockings said the absence of a financial commitment by a partner was disappointing but he was "very impressed with both the efforts and achievements of the entire team at Phylogica ... and remain optimistic that these achievements will ultimately yield the recognition that they deserve".

Phylogica said discussions were progressing with two other pharmaceutical companies interested in accessing the technology.

Phylogica fell 1.3 cents or 52 percent to 1.2 cents with 34.9 million shares traded.

PHYLOGICA, PHOSPHAGENICS

Phylogica says the New York-based Le Metier Tribeca, the parent company of Le Métier De Beauté, has filed for bankruptcy.

In 2012, Phylogica said it had a licence with Le Métier Tribeca to formulate and market glycinemide into a cosmetic product for sunburn (BD: Sep 12, 2012).

Phylogica said it was pursuing alternative opportunities for the cosmetic product and had engaged the Melbourne-based business development company Bio-Link to assist.

Le Métier Tribeca also had a cosmetics deal with Phosphagenics (BD: Jan 27, 2011).

SIMAVITA

Simavita has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price climbed from 54 cents on May 14 to 72 cents, a 25 percent increase, on May 15, 2014 and noted an increase in trading volumes.

Simavita said that on May 13, 2014 "the Sydney-based stock-broking firm, Shaw Stockbroking, released a report initiating coverage on the company".

The Shaw report gave Simavita a target price of \$1.20.

Simavita was up two cents or 3.1 percent to 66 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says it has completed the capital reduction of 75,937,500 shares owned by founder Dr Mervyn Jacobson who holds 5.19 percent of the company.

Genetic Technologies said that the shares were in exchange for 4,500,000 shares in Immunaid and had been cancelled leaving the Jacobson entities with 30,536,184 shares or 5.19 percent of the company (BD: Dec 18, 20, 2013; Apr 17, 2014).

Genetic Technologies was up 0.1 cents or 2.4 percent to 4.2 cents.

SIRTEX MEDICAL

Perpetual and its subsidiaries have reduced their substantial shareholding in Sirtex from 4,438,816 shares (7.91%) to 3,868,684 shares (6.90%).

Perpetual said it sold the 570,132 shares from April 3 to May 14, 2014 at prices ranging from \$15.38 to \$17.50

Perpetual has been taking profit on its Sirtex holding this year, having bought founder Dr Bruce Gray's shares in 2013 (BD: Aug 12, 2013; Feb 5, 18, 19, 21, Apr 4, 2014).

Sirtex fell 34 cents or 1.9 percent to \$17.16 with 110,715 shares traded.

GENERA BIOSYSTEMS

Nestor Investment Management says it has reduced its substantial shareholding from 5,492,190 shares to 4,287,169 shares or 4.9574 percent.

In its previous substantial shareholder notice in 2011, Nestor said it increased its substantial shareholding in Genera from 3,378,507 shares (5.39%) to 4,516,865 shares (6.44%) acquiring 600,000 shares for \$200,622 or 33.4 cents a share. (BD: Apr 27, 2011).

Today's substantial shareholder notice from the Grand Duchy of Luxembourg said Nestor Investment Management sold 1,205,021 shares for Nestor Australien Fonds on May 14, 2014 for but failed to disclose a value for the transaction.

Genera was up half a cent or 2.7 percent to 19 cents.