



# Biotech Daily

Thursday May 8, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: BIONOMICS UP 11%, GENETIC TECHNOL DOWN 14%**
- \* **FEDERAL \$169m FOR ANSTO NUCLEAR MEDICINE PLANT**
- \* **PROGEN EXPECTS INTERIM PI-88 LIVER CANCER RESULTS THIS MONTH**
- \* **ORTHOCELL BUYS UNI OF WA STEM CELL IP**
- \* **VERITAS TAKES 5% OF COCHLEAR**
- \* **FRANKLIN RESOURCES, AFFILIATES BELOW 5% IN COCHLEAR**
- \* **ADMEDUS REQUESTS CAPITAL RAISING TRADING HALT**
- \* **CLARIFICATION: ANALYTICA**

## MARKET REPORT

The Australian stock market climbed 0.75 percent on Thursday May 8, 2014 with the S&P ASX 200 up 41.0 points to 5,476.8 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 10 fell, nine traded unchanged and seven were untraded. All three Big Caps were up.

Bionomics was the best, up 4.5 cents or 11.0 percent to 45.5 cents with 625,420 shares traded.

Uscom climbed 7.4 percent; Anteo, GI Dynamics and Impedimed were up more than five percent; Analytica was up 3.2 percent; Alchemia, Mesoblast and Optiscan rose more than two percent; with Benitec, Clinuvel, Cochlear, CSL, Nanosonics, Resmed, Sirtex and Starpharma up by less than one percent.

Genetic Technologies led the falls, down 0.7 cents or 14.3 percent to 4.2 cents with 1.4 million shares traded.

Viralytics lost 8.6 percent; Living Cell fell 5.6 percent; Cellmid and Prana were down more than three percent; Universal Biosensors shed 2.7 percent; Neuren, Pharmaxis and Tissue Therapies were down more than one percent; with Acrux down 0.5 percent.

## FEDERAL GOVERNMENT

The Minister for Industry Ian Macfarlane says Australia will triple its production of nuclear medicines as work begins on a new \$168.8 million nuclear medicine facility.

A media release from Mr Macfarlane's office said that the south western Sydney campus of the Australian Nuclear Science and Technology Organisation (ANSTO) facility would become "a major world supplier of radio-pharmaceuticals".

The media release said that ANSTO would triple production of molybdenum-99 (Mo-99), which becomes technetium-99m (Tc-99m) for use in hospitals and medical centres for the diagnosis of cancers, heart disease, muscular and skeletal conditions.

"World demand for nuclear medicine is growing as more countries develop modern medical systems, but at the same time supplies are under threat, with the research reactors that produce around 70 percent of this medicine, due to shut in the next few years," Mr Macfarlane said. "By investing in this new facility, the Australian Government has positioned Australia as a global leader in the manufacture of nuclear medicines."

The media release said that Mo-99 was used in about 45 million procedures worldwide every year and demand was growing particularly in the Asia-Pacific region.

The media release said that the project included a nuclear medicine manufacturing plant and a waste treatment plant to treat by-products for permanent, safe storage at a national waste repository and subject to approvals the plant would be operational from 2016.

## PROGEN PHARMACEUTICALS

Progen says that Taiwan licensee Medigen Biotechnology Corp expects to have data from 131 patients for an interim analysis of its phase III PI-88 liver cancer trial this month.

Progen said that Medigen would discuss the interim results with medical and statistical experts and public disclosure would follow "in due course".

Progen reported that Medigen met its target enrolment of 500 patients at the end of 2013 (BD: Jan 19, 2014).

In 2008, Progen halted its phase III PI-88 liver cancer trial, triggering a board and management spill and a long-running fight over the company's cash (BD: Jul 23, 2008).

Today, Progen said that if the results were in line with expectations, Medigen would lodge the accelerated new drug application with the Taiwan regulator this year.

Progen was up one cent or 1.1 percent to 93.5 cents.

## ORTHOCELL

Orthocell says it has acquired key intellectual property for its tendon stem cell treatment from its research partners at the University of Western Australia.

Orthocell said the intellectual property related to the manufacture of Ortho-ATI for degenerated tendon tissue and the manufacture of the company's Celgro collagen platform technology which helps repair soft tissue damage.

Last month, Orthocell said it would conduct an initial public offer to list on the ASX to develop the technologies (BD: Apr 16, 2014).

Orthocell managing director Paul Anderson said that the transfer of the intellectual property from the University of Western Australia was "a great example of successful commercialization of university [intellectual property]".

Orthocell said it paid a fee for the intellectual property which it previously licenced and the University would also receive royalties for product sales.

Orthocell is a public unlisted company.

## COCHLEAR

The London-based Veritas Asset Management says it has become a substantial shareholder in Cochlear with 2,864,715 shares (5.02%).

Veritas said it held the shares on behalf of clients including State Street UK, Bank of New York Mellon, JP Morgan, National Australia Bank, Northern Trust UK, Kasbank Netherlands, Citibank Ireland, Deutsch Bank, HSBC Ireland and BNP Paribas UK.

The company said it acquired the shares between January 14 and May 6, 2014 at prices ranging from \$56.69 to \$58.99.

Cochlear was up 28 cents or 0.5 percent to \$59.04 with 223,614 shares traded.

## COCHLEAR

Franklin Resources and affiliates have ceased their substantial shareholders in Cochlear falling below the 5.0 percent threshold.

Last year Franklin Resources and affiliates became substantial with 2,891,369 shares (5.07%), for a range of unnamed shareholders (BD: Nov 1, 2013).

In its substantial shareholder notice Franklin Resources did not specify where it was based giving addresses in the Cayman Islands, Bermuda, the US, Europe, Asia, Africa and Australia and naming the affiliates including, Balanced Equity Management, Darby Asia, Fiduciary International, Franklin Templeton, K2, Riva and Templeton.

Franklin said that between November 1, 2013 and May 5, 2014 it bought, sold and transferred shares in small trades, with the largest, on December 12, 2013 the acquisition of 40,000 shares for \$2,257,752 or an average price of \$56.44 a share.

## ADMEDUS

Admedus has requested a trading halt "pending an announcement regarding a capital raising".

In its most recent Appendix 4C Quarterly Report, Admedus said it's net operating cash burn for the three months to March 31, 2014 was \$2,193,000 with cash in the bank of \$7,069,000.

Trading will resume on May 12, 2014 or on an earlier announcement.

Admedus last traded at 12.5 cents.

## ANALYTICA

Last night's edition reported that Analytica's Pericoach intra-vaginal training tool for incontinence would be eligible for both US and Australian reimbursement.

Analytica chief executive officer Geoff Daly has told Biotech Daily that the device itself would not be eligible for reimbursement, but the important clinician visits would be.

Biotech Daily apologizes for the confusing first sentence and has issued a first and final warning to the overly-excited and careless sub-editor.

Analytica was up 0.1 cents or 3.2 percent to 3.2 cents with 2.3 million shares traded.