



Biotech Daily

Friday June 27, 2014

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH UP: ELLEX UP 6%, OPTISCAN DOWN 11%**

*** QRX DIRECTOR ATTACKS EGM BOARD SPILL STATEMENT**

*** BIO-MELBOURNE AGE-RELATED MACULAR DEGENERATION BREAKFAST**

MARKET REPORT

The Australian stock market fell 0.35 percent on Friday June 27, 2014 with the S&P ASX 200 down 19.2 points to 5,445.1 points.

It was a very quiet day for biotech companies, either at BIO2014 in San Diego, preparing for the end of the financial year on June 30, or taking a day off ahead of mid-year school holidays.

Sixteen of the Biotech Daily Top 40 stocks were up, eight fell, 15 traded unchanged and one was untraded.

Ellex was the best, up two cents or 5.6 percent to 37.5 cents with 38,000 shares traded, followed by Oncosil up five percent to 10.5 cents with 3.5 million shares traded.

Avita and Medical Developments climbed four percent or more; Antisense and Cellmid were up more than three percent; Alchemia, Prana, Psivida and Universal Biosensors rose more than two percent; Benitec, Mesoblast and Pharmaxis were up more than one percent; with Acrux, Bionomics, Cochlear and Nanosonics up by less than one percent.

Optiscan led the falls, down 0.4 cents or 11.1 percent to 3.2 cents with 166,530 shares traded.

IDT lost 9.5 percent; Atcor and Biotron fell more than four percent; Osprey was down 3.45 percent; Analytica and Clinuvel shed more than two percent; with CSL and Sirtex down by less than one percent.

QRX PHARMA

In a 'Letter to shareholders', QRX director and chairman of the requisitioned general meeting Peter Campbell urges support for the current board.

The meeting was requisitioned by 10 percent shareholder Walker Group proposing Walker director Bruce Hancox and Neuren chairman Dr Richard Treagus replace QRX chairman Dr Peter Farrell and director Dr Gary Pace following the third rejection of QRX's Moxduo by the US Food and Drug Administration (BD: Apr 23, May 15, Jun 3, 2014).

Mr Campbell said he wanted shareholder support "to retain the current board of the company and to reject the Walker Group's strategy to obtain control of the company and its cash resources, and I would also like to clarify several key matters".

In its last Appendix 4C Quarterly Report QRX said it had \$14.3 million in cash.

According to the ASX, the QRX market capitalization was \$13 million at last night's close.

Mr Campbell said that an anonymous members' statement to shareholders sent without letterhead or signature "was sent by Mr Hancox of the Walker Group and not by anyone associated with the current board or management".

Biotech Daily received a copy of the members' statement entitled 'Request to distribute a members statement' sent to QRX on June 6, 2014 clearly stating that it came from the Walker Group, but not published on the QRX website, nor disseminated to QRX shareholders by QRX (BD: Jun 6, 2014).

At the time of publication there was no mention of the extraordinary general meeting on the QRX website.

Mr Campbell claimed the members' statement letter "contained numerous misstatements or errors that are incorrect or taken out of context".

"Like all shareholders, we are devastated by the turn of events but that is not a reason to panic and lose the accumulated knowledge, experience and connections of the current team," Mr Campbell said.

"Throughout the clinical trials for Moxduo the company followed the [US Food and Drug Administration] guidance to meet the combination rule," Mr Campbell said.

"The company was encouraged by its interactions with FDA leading up to June 2012 and was very disappointed in not receiving approval as a consequence of FDA's novel interpretation in June 2012, of the combination rule and its applicability to Moxduo," Mr Campbell said.

"Despite the existing regulation that equivalence in efficacy and safety was required for approval, [the] FDA elected to ask for a clinical benefit for some particular patient population," Mr Campbell said.

"They then agreed that Study 022 and post hoc analyses could satisfy their requirements," Mr Campbell said. "That review took over 12 months during which time the FDA was under intense and controversial pressure regarding opioid approvals.

"Unfortunately, in the April 2014 Advisory Committee meeting, the committee rejected Study 022's post hoc analyses and preferred pre-specified outcomes and statistical metrics instead ... [and] following this feedback, [the] FDA declined to approve the drug," Mr Campbell said.

Last month a QRX presentation criticized the trial design and said that among "lessons learned" were that "ongoing protestations regarding FDA rules [and] processes can be unhelpful" (BD: May 20, 2014).

Mr Campbell said the Walker Group lacked "experience and intent to recover the maximum possible value for all shareholders" and said that Mr Hancox was "known as a 'corporate raider' and even his own [curriculum vitae] cites him as a consultant in takeovers".

QRX fell 0.2 cents or 2.4 percent to eight cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network July 8, 2014 Bio-Breakfast is entitled 'Biomarkers to Cures for Blinding Disease: Progress and directions for age-related macular degeneration'.

The Network said that age-related macular degeneration' was characterized by the loss of vision in the middle of the visual field caused by degeneration of the central portion of the retina, or the macula and was the leading cause of blindness and severe vision loss in people aged over 50 years in the developed world.

The Network said that in Australia, age-related macular degeneration was "the most common cause of blindness contributing to 50 percent of all blindness".

The Bio-Melbourne Network said that the Roche drug to treat age-related macular degeneration' Lucentis had sales of more than \$US3 billion in 2012, but about half the people receiving Lucentis and Bayer's Eylea were poor responders and did not experience a significant gain in vision.

The Network said that the July 8 Breakfast was sponsored by the Carlton-based Australian College of Optometry.

The Network said that the Centre for Eye Research Australia's clinical genetics unit head Dr Alex Hewitt would talk on biomarkers to cures and the latest research in age-related macular degeneration.

The Bio-Melbourne Network said that Circadian chief executive officer Dr Megan Baldwin would discuss Circadian's strategy and progress in developing the molecule OPT-302, formerly VGX-300, to combat age-related macular degeneration.

The Bio- Breakfast will be held at the Australian College of Optometry, corner of Keppel Street and Cardigan Street, Carlton, on July 8, 2014.

Registration is from 7.15am for presentations at 8am.

For more information and to book go to: <http://www.biomelbourne.org/events/view/321>.

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