



Biotech Daily

Friday August 8, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: AVITA UP 9.5%, PSIVIDA DOWN 5%**
- * **CLINUVEL REBUFFS RETROPHIN \$95m OFFER: 'NOT ENOUGH'**
- * **NHMRC DETAILS FEDERAL GOVERNMENT \$200m FOR DEMENTIA**
- * **HUNTER HALL TAKES 6% OF GI DYNAMICS**
- * **SUDA LOSES DIRECTOR KEN ROBSON**

MARKET REPORT

The Australian stock market fell 1.34 percent on Friday August 8, 2014 with the S&P ASX 200 down 73.7 points to 5,435.3 points.

Twelve of the Biotech Daily Top 40 stocks were up, 12 fell, 12 traded unchanged and four were untraded. All three big Caps fell.

Avita was the best, up one cent or 9.5 percent to 11.5 cents with 402,231 shares traded.

Anteo climbed 7.7 percent; Admedus rose four percent; Analytica and Osprey were up more than three percent; GI Dynamics, Phosphagenics, Starpharma and Uscom rose more than two percent; Bionomics and Clinuvel were up more than one percent; with Benitec up 0.6 percent.

Psivida led the falls, down 25 cents or 5.2 percent to \$4.55 with 4,000 shares traded.

Prima fell 4.8 percent; Alchemia, Antisense, Atcor and Cellmid lost three percent or more; Ellex, Prana and Sirtex shed more than two percent; Medical Developments and Mesoblast were down more than one percent; with Cochlear, CSL, Nanosonics and Resmed down by less than one percent.

CLINUVEL PHARMACEUTICALS

Clinuvel has rejected the New York-based Retrophin bid of about \$95 million to buy the company saying the proposal “materially undervalues” the company (BD: Jul 28, 2014). In July, Retrophin offered up to \$95 million “through a share swap worth about \$2.14 a share or \$2.17 in cash per share.

On the day Clinuvel made the announcement of the July 17 offer, the company climbed 49.5 cents or 29.4 percent from \$1.685 to \$2.18 with 313,734 shares traded.

At that time, Clinuvel said that the offer was unsolicited and advised shareholders “to take no action” while it evaluated the proposal which was subject to numerous conditions.

Today, Clinuvel said that Retrophin had acquired a stake of about 6.7 percent but the proposal was subject to numerous conditions.

The Company said that it had evaluated the proposal in conjunction with its advisers Greenhill and Arnold Bloch Leibler.

“The board welcomes the interest in Clinuvel, but believes that Retrophin’s proposal materially undervalues Clinuvel and therefore declines the proposal,” the company said.

Clinuvel said it had invested heavily in Scenesse and was in the final stages of the European Medicines Agency marketing authorization review for the drug as a treatment for erythropoietic protoporphyria, with less than three months to the decision.

Clinuvel said it believed that it was in the best interests of shareholders to remain focused for the next eight weeks on preparing for the upcoming final EMA exchange.

The company said that continuity was “imperative in guiding Clinuvel through the ultimate stages of the EMA review process and then through the [US Food and Drug Administration] regulatory process”.

Clinuvel was up four cents or 1.9 percent to \$2.19.

THE NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

The National Health and Medical Research Council says it has detailed the provisions of the Federal Government’s \$200 million ‘Boosting dementia research’ budget measure.

The Council said that a new Dementia Research Team Grants scheme opened today to support research into the causes of dementia, improved methods of prevention, new treatment options and improved patient care.

The NHMRC said the scheme was modelled on its Centres of Research Excellence and was expected to fund five teams for up to \$6.5 million each over five years.

The NHMRC said that dementia research program included a further \$62.5 million to support large scale research projects, \$9 million for the University of Queensland Clem Jones Centre for Ageing Dementia Research, \$46 million for capacity building grants to attract researchers from other fields into dementia research, including \$26 million from the Australian Research Council and \$50 million to target, coordinate and translate dementia research through the new NHMRC National Institute for Dementia Research

NHMRC chief executive officer Prof Warwick Anderson said plans for the Institute were underway and the “virtual institute will draw together Australia’s outstanding researchers in dementia research, to bring a broad, collaborative approach to the highest priority research and translation question in dementia”.

“This will ensure the work being conducted here at home is relevant to Australia and complements that being done elsewhere around the world,” Prof Anderson said.

The council said that since 2009, it had provided about \$25 million a year for dementia research.

“\$200 million is a significant boost for into dementia research and it reflects the enormity of the challenge ahead,” Prof Anderson said.

GI DYNAMICS

Hunter Hall Investment Management has increased its substantial shareholding in GI Dynamics from 25,403,348 shares (5.36%) to 30,142,098 shares (6.36%).

The Sydney-based Hunter Hall said it acquired the shares in a large number of trades between July 2 and August 5, 2014.

Hunter Hall said the single largest trade was on July 2 with the acquisition of 1,443,300 shares for \$774,095 or 53.6 cents a share.

GI Dynamics was up one cent or 2.5 percent to 41 cents.

SUDA

Suda says that non-executive director Ken Robson has resigned, effective from August 7, 2014.

Suda said that Mr Robson joined the company as a director in March 2013 to provide legal guidance.

Suda fell 0.2 cents or four percent to 4.8 cents.