



Biotech Daily

Friday February 20, 2015

Daily news on ASX-listed biotechnology companies

- * ASX DOWN, BIOTECH UP: IDT UP 7%, GENETIC TECHNO DOWN 21%**
- * NSW AWARDS \$2.7m GENOMICS COLLABORATIVE GRANTS**
- * FEDERAL GOVERNMENT INTELLECTUAL PROPERTY PAPER**
- * MEDICAL DEV H1 REVENUE UP 21% TO \$5.5m, PROFIT UP 72% TO \$731k**
- * SUNSHINE HEART TAKES \$13m LOAN, SECURITY AGREEMENT**

MARKET REPORT

The Australian stock market fell 0.38 percent on Friday February 20, 2015 with the S&P ASX 200 down 22.7 points to 5,881.5 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, 10 traded unchanged and three were untraded.

IDT was the best, up one cent or 7.4 percent to 14.5 cents with 2,000 shares traded, followed by Atcor up 7.3 percent to 11 cents with 87,037 shares traded.

Oncosil climbed 6.6 percent; Mesoblast was up 5.8 percent; Cellmid was up four percent; Alchemia, Compumedics, Optiscan, Osprey and Psivida were up more than three percent; Anteo, Benitec, CSL and Universal Biosensors rose more than one percent; with Sirtex and Starpharma up by less than one percent.

Genetic Technologies led the falls, down 1.8 cents or 20.7 percent to 6.9 cents with 53.0 million shares traded.

Patrys lost 7.7 percent; Circadian fell 5.6 percent; Avita and Medical Developments fell more than four percent; Clinuvel and Viralytics were down more than three percent; Impedimed shed 2.7 percent; Acrux, GI Dynamics, Pharmaxis and Resmed lost more than one percent; with Cochlear and Nanosonics down by less than one percent.

NEW SOUTH WALES GOVERNMENT

The New South Wales Government says that four teams of researchers will share \$2.72 million in Genomics Collaborative Grants.

A media release from the Minister for Health and Medical Research Jillian Skinner said the grants would support research into better treatments for cancer, mitochondrial disease, inherited heart disease in babies and schizophrenia.

"These grants enable some of our best minds to be among the first researchers in the world to access new whole genome sequencing technology, allowing them to better research diagnoses and treatments," Ms Skinner said.

The media release said that the grant recipients would have access to a state-of-the-art genome sequencing facility operated by the Garvan Institute of Medical Research.

The media release said that the Garvan Institute was one of a few centres which had have acquired the Illumina HiSeq X Ten system, which could sequence more than 300 whole human genomes per week.

The Government said that a team led by the Westmead Millennium Institute for Medical Research and University of Sydney's Prof Graham Mann had been awarded \$811,150 to support research into new therapies for metastatic melanoma.

The media release said the Kolling Institute of Medical Research's Prof Carolyn Sue had been awarded \$740,000 for research aimed at transforming the diagnostic paradigm for mitochondrial disease using whole genome sequencing.

The Government said that the Victor Chang Cardiac Research Institute's Prof Sally Dunwoodie had been awarded \$370,000 and would lead investigators from her Institute and the Sydney Children's Hospital Network in research into the genetic causes of congenital heart disease.

The Government said that the University of Newcastle's Prof Murray Cairns had been awarded \$800,000 to identify genomic system motifs and associated markers that can inform the development of new interventions in relation to schizophrenia.

The media release said the Office for Health and Medical Research would release details about the next round of Genomics Collaborative Grants later this year and for more information, go to: www.health.nsw.gov.au/ohmr/Pages/genomics-grant-apps.aspx.

FEDERAL GOVERNMENT

The Federal Government says it wants comments on a discussion paper entitled 'Proposals to streamline IP processes and support small business'.

The Government said it was "consulting on ways to improve the [intellectual property] system by reducing delays and complexity and better balancing the interests of innovators and competitors".

The Parliamentary Secretary to the Minister for Industry and Science Karen Andrews said that administrative processes that were too complicated or too onerous "impose unnecessary costs on innovative Australian businesses".

"Under some of the proposals, businesses that deal with more than one type of [intellectual property] right would be able to use the same processes for each right," Ms Andrews said. "Recognizing the time pressures on businesses, those that need more time to provide information, or pay fees ... would be able to use a streamlined process to obtain an extension, saving them time and money."

The media release said that other proposals would reduce the time to complete the examination of trademark applications.

The Government said that submissions would close on April 7, 2015.

More information is available at: <http://www.ipaustralia.gov.au>.

MEDICAL DEVELOPMENTS

Medical Developments says revenue for the six months to December 31, 2014, was up 21.2 percent to \$5,501,000 with net profit after tax up 71.6 percent to \$731,000.

Medical Developments said that all segments of its Pentrox inhaled analgesic performed strongly with sales up 39 percent compared to the prior corresponding period, with ambulance sales up 18 percent and sales to hospitals and general practitioners up 52 percent.

The company said that dental sales were up 233 percent following the appointment of a "new business partner expanding our presence in this market".

Medical Developments said that it made its first sales to South Africa and sales in the Middle East rose 108 percent, with New Zealand sales up grew 50 percent.

The company said that its "Eastern European business underperformed as a result of political unrest in the region".

Medical Developments said that respiratory devices sales were up 29 percent, with increases in Australia, New Zealand and Europe and the establishment of an office in North America.

The company said that sales of veterinary equipment was flat and sales of other medical devices declined 54 percent "mainly due to a large one-off order of more than \$250,000" the previous corresponding period.

The company said that diluted earnings per share was up 85.7 percent to 1.3 cents at December 31, 2014 compared to 0.7 cents for the previous period.

Medical Developments said it paid a two cent per share dividend for the half year to December 31, 2013, but did not declare a dividend for the current period.

Medical Developments said that cash and cash equivalents at December 31, 2014 was \$595,000 compared to \$1,088,000 at December 31, 2013.

Medical Developments fell 10 cents or 4.8 percent to \$2.00.

SUNSHINE HEART

Sunshine Heart says it has a \$US10 million (\$A12.8 million) "loan and security agreement" with Silicon Valley Bank.

Sunshine Heart chief executive officer Dave Rosa said it was "a pleasure to form an alliance with Silicon Valley Bank which is well established in the healthcare sector as a leading financial partner to emerging companies".

Mr Rosa said that that along with its existing facility the agreement "provides the company with sufficient capital through [to] 2016 while preserving shareholder equity via this minimally dilutive structure".

Sunshine Heart said that the loan would mature on December 1, 2017, with proceeds to be used for general corporate and working capital purposes.

The company said that Honigman Miller Schwartz and Cohn LLP served as the legal advisor for the loan agreement.

On the Nasdaq last night, Sunshine Heart fell three US cents or 0.57 percent to \$US5.25 (\$A6.72, equivalent to 3.36 cents before delisting from the ASX) with 87,235 shares traded.