



Biotech Daily

Thursday February 26, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: GI DYNAMICS UP 9%, ACRUX DOWN 19%**
- * **PRIME MINISTER ADDS 'COMMERCIAL APPLICATION OF SCIENCE' PRIZE**
- * **MAYNE H1 REVENUE DOWN 15% TO \$60m, PROFIT DOWN 53% TO \$4m**
- * **ALCHEMIA H1 REVENUE UP 36% TO \$7m, LOSS UP 188% TO \$16m**
- * **ACRUX H1 REVENUE DOWN 67%, PROFIT DOWN 72%, ROSS BARROW GOES**
- * **RESONANCE H1 REVENUE UP 21% TO \$1m, RETURN TO PROFIT \$448k**
- * **PHOSPHAGENICS REVENUE UP 85% to \$2.5m, LOSS DOWN 29% TO \$7m**
- * **OBJ H1 REVENUE UP 49% to \$1m, LOSS DOWN 12% TO \$809k**
- * **BIOTRON PLEADS SCHULTZ AGAIN, OLD NEWS TO ASX 23% QUERY**
- * **CAPITOL HEALTH TAKES 6% OF 3D MEDICAL (SAFETY MEDICAL)**
- * **GENETIC TECHNOLOGIES APPOINTS CFO EUTILLIO BUCCILLI CEO**

MARKET REPORT

The Australian stock market fell 0.61 percent on Thursday February 26, 2015 with the S&P ASX 200 down 36.4 points to 5,908.5 points. Ten of the Biotech Daily Top 40 stocks were up, 19 fell, eight traded unchanged and three were untraded. All three Big Caps fell.

GI Dynamics was the best, up 2.5 cents or 9.4 percent to 29 cents with 10,570 shares traded. Atcor, Universal Biosensors and Viralytics climbed five percent or more; Analytica rose 4.55 percent; Bionomics was up 3.3 percent; Prima rose 2.7 percent; Oncosil and Osprey were up more than one percent; with Medical Developments up half a percent.

Acrux led the falls, down 25.5 cents or 18.6 percent to \$1.115 with 2.5 million shares traded.

Patrys lost 8.3 percent; Alchemia fell 7.7 percent; Antisense shed 4.8 percent; Anteo, Compumedics, Genetic Technologies, IDT, Living Cell, Mesoblast, Optiscan, Pharmaxis and Starpharma were down three percent or more; Benitec, Clinuvel, Neuren, Sirtex and Tissue Therapies shed more than two percent; Cochlear lost 1.6 percent; with CSL, Nanosonics and Resmed down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says the \$250,000 Commercial Application of Science Prize has been added to this year's Prime Minister's Prizes for Science.

A Federal Government media release said that the prize would be awarded "for the translation of science knowledge into a substantial commercial impact".

The Minister for Industry and Science Ian Macfarlane said that Australians make a significant investment in science through an annual Government budget of \$9.2 billion.

"All Australians benefit from the advances in science and the best way to share the gains of our world-class scientists is to encourage stronger links between science and business," Mr Macfarlane said.

"This is another practical illustration of the Government's focus on ensuring Australians capitalize on new markets and new job opportunities, the central plank of our Industry Innovation and Competitiveness Agenda," Mr Macfarlane said.

"The new prize, the Prime Minister's Prize for the Commercial Application of Science, will promote building better links between researchers and industry and encourage entrepreneurship in our business and research communities," Mr Macfarlane said.

A spokesperson for Mr Macfarlane said that this prizes included the \$250,000 Prime Minister's Prize for Science, reduced from last year's \$300,000; the \$250,000 Commercial Application of Science prize; and four prizes valued at \$50,000 each, the Frank Fenner Prize for Life Scientist of the Year; the Malcolm McIntosh Prize for Physical Scientist of the Year; the Prime Minister's Prize for Excellence in Science Teaching in Primary Schools; and the Prime Minister's Prize for Excellence in Science Teaching in Secondary Schools. The media release said that the introduction of the new prize meant the Government had increased the total prize money from \$500,000 to \$700,000 for the six prizes.

Nominations have opened and for more details go to: www.industry.gov.au/scienceprizes.

MAYNE PHARMA GROUP

Mayne Pharma says its revenue for the six months to December 31, 2014 fell 14.9 percent to \$59,549,000 taking net profit after tax down 52.7 percent to \$3,991,000.

Mayne said that diluted earnings per share fell 54.5 percent from 1.45 cents in the previous corresponding period to 0.66 cents for the six months to December 31, 2014, with net tangible assets per share falling from 0.7 cents to negative 0.8 cents.

The company said it held cash and cash equivalents of \$19,147,000 at December 31, 2014 compared to \$14,813,000 at June 30, 2014.

Mayne was up 3.5 cents or 4.0 percent to 91.5 cents with 2.4 million shares traded.

ALCHEMIA

Alchemia says that revenue for the six months to December 31, 2014, was up 35.6 percent to \$6,829,000 with net loss after tax up 187.9 percent to \$15,759,000.

Alchemia said that profit share income for generic fondaparinux fell 39.2 percent to \$2,830,000 with grant revenue and the Federal Government Research and Development Tax Incentive up from \$118,000 to \$3,837,000

The company said that diluted loss per share increased 188.2 percent to 4.9 cents for the six months to December 31, 2014, with net tangible assets per share down 14.3 percent to 3.6 cents at December 31, 2014 compared to 4.2 cents at December 31, 2013.

The company said it had cash and cash equivalents of \$11,799,000 at December 31, 2014, compared to \$7,949,000 at June 30, 2014.

Alchemia fell half a cent or 7.7 percent to six cents with 1.06 million shares traded.

ACRUX

Acrux says its revenue for the six months to December 31, 2014 fell 67.4 percent to \$14,218,000 taking net profit after tax down 71.5 percent to \$7,018,000.

Acrux said that the six months to December 31, 2013 included a milestone payment for Axiron sales exceeding \$US100 million of \$US25 million, reported as \$A28,833,000, meaning that royalty revenue fell 5.2 percent to \$13,729,000 for the six months to December 31, 2014, compared to the six months to December 31, 2013.

Acrux said that Axiron sales by partner Eli Lilly in the six months to December 31, 2014 were \$US83.9 million compared to \$US94.5 million over the same period last year.

The company said that although generic alternatives to existing brands had been launched, they were not substitutable for Axiron and had not impacted market share to date.

Acrux said that Axiron maintained stable market share throughout the 2014 calendar year, but the key driver for total market decline was the initial US Food and Drug Administration assessment of cardiac risk outcomes in 2014.

The company said that a European Medicines Agency investigation and statement was released in October 2014, entitled 'No consistent evidence of an increased risk of heart problems with testosterone medicines' and Acrux awaited the FDA statement.

Separately, Acrux said that Ross Barrow had resigned as a non-executive director, having been appointed April 1, 2012.

The company said that no dividend would be paid for six months to December 31, 2014.

Acrux chief executive officer Michael Kotsanis told Biotech Daily that the company had only previously paid a half-year dividend ;last year when it received the \$US25 million milestone payment.

Acrux said that diluted earnings per share fell 60.0 percent from 15.0 cents in the previous corresponding period to four cents for the six months to December 31, 2014 with net tangible asset backing per share down 59.1 percent to nine cents at December 31, 2014.

The company said it held cash and cash equivalents of \$15,792,000 at December 31, 2014 compared to \$25,775,000 at December 31, 2013.

Acrux lost 25.5 cents or 18.6 percent to \$1.115 with 2.5 million shares traded.

RESONANCE HEALTH

Resonance says revenue for the six months to December 31, 2014, was up 21.4 percent to \$1,288,000, returning the company to a net profit after tax of \$448,000.

Resonance posted an increased half-year profit for six months to December 31, 2008 and a full year maiden profit for the year to June 30, 2009 (BD: Feb 27, Aug 28, 2009)

Today Resonance said that sales revenue increased by six percent, scan volume increased by six percent, 16 new Ferriscan sites were established in the July-December 2014 period and the volume of image analysis services was up 6.4 percent.

Resonance said that net tangible asset backing per share was up 337.5 percent from 0.16 cents to 0.70 cents.

The company said diluted earnings per share was 0.12 cents compared to a loss of 0.04 cents in the previous corresponding period.

Resonance said that cash and cash equivalents at December 31, 2014 was \$2,584,226 compared to \$2,097,607 at June 30, 2014.

Resonance climbed 1.1 cents or 40.7 percent to 3.8 cents with 2.2 million shares traded.

PHOSPHAGENICS

Phosphagenics says revenue for the year to December 31, 2014, was up 84.6 percent to \$2,505,000 reducing net loss after tax by 29.1 percent to \$8,935,000.

Phosphagenics said that most of the increased revenue was from sales of phosphorylated vitamin E derivatives by its partner Ashland for use in cosmetics, up 400 percent from \$300,000 to \$1,500,000.

The company said that revenues from its Bioelixia cosmetic division fell 55.6 percent from \$801,000 in the year to December 31, 2013 to \$356,000 for the year to December 31, 2014, but losses for the Bioelixia division also fell with reduced expenses on marketing.

The company said that diluted loss per share fell 35.5 percent to 0.8 cents at December 31, 2014 with net tangible assets per share up 53.8 percent from 1.3 cents to 2.0 cents.

Phosphagenics said it had \$20,679,000 in cash and cash equivalents at December 31, 2014, compared to \$8,823,000 at December 31, 2013.

Phosphagenics was unchanged at 7.2 cents.

OBJ

OBJ says that revenue for the six months to December 31, 2014, was up 49.3 percent to \$1,086,432 reducing net loss after tax 11.9 percent to \$809,113.

It is the second year in a row that OBJ has reported revenue up and loss down, declaring a year ago that revenue for the six months to December 31, 2013, was up 587 percent to \$727,570 reducing net loss after tax nine percent to \$918,020 (BD: Mar 3, 2014).

For the full year to June 30, 2014, OBJ reported revenue up 21.0 percent to \$951,000 with net loss after tax up 65.5 percent to \$2,205,000.

OBJ said that the half-year to December 31, 2014 "was one of the most meaningful in the company's history".

The company said that the licencing and launch of the first product containing OBJ technology by Proctor and Gamble, the signing of cosmetics agreements with the New York based Coty Inc and progress with Bodyguard Lubricen transdermal knee patch were "significant accomplishments during the period" (BD: Dec 13, 2013; Sep 30, Dec 3, 2014).

OBJ said that the Proctor and Gamble multi-product development agreement had three programs of work attached, with the SK-II magnetic eye wand already launched and the remaining two moving through their respective development pathways and two more Proctor and Gamble brands added to programs of work under the original agreement.

OBJ said that diluted loss per share fell 28.6 percent from 0.07 cents in the previous year to 0.05 cents for the six months to December 31, 2014, with net tangible assets per share constant at 0.3 cents.

The company said it had cash and cash equivalents of \$4,532,285 at December 31, 2014, compared to \$4,983,482 at December 31, 2013.

OBJ was up half a cent or 6.2 percent to 8.6 cents with 7.4 million shares traded.

BIOTRON

Biotron 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 rose three cents or 23.1 percent from 13 cents on February 20 to 16 cents today, February 26, 2015, and noted an increase in the trading volume.

Biotron said that it released trial data in December 2014.

Biotron was unchanged at 15 cents with 3.8 million shares traded.

3D MEDICAL (FORMERLY SAFETY MEDICAL PRODUCTS)

Capitol Health says it has become a substantial shareholder in 3D Medical with 21,341,462 shares or 5.7 percent of the company.

The Melbourne-based Capitol Health said it acquired the shares in consideration for the acquisition of 3D Medical by Safety Medical (BD: Jun 23, 2014; Jan 18, 2015).

3D Medical was up one cent or 12.05 percent to 9.3 cents with 6.6 million shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies says that chief financial officer and chief operating officer Eutillio Buccilli has been appointed as chief executive officer.

Genetic Technologies said that Mr Buccilli joined the company in June 2014 as chief financial officer and was appointed chief operating officer and chief financial officer in late 2014.

The company said that Mr Buccilli had more than 35 years of senior management experience in the financial services, contracting and recruitment, property and retail industries in Australia and the US.

Genetic Technologies said that Mr Buccilli had held senior management positions with General Electric, Computer Science Corporation, Coles Myer and Challenger.

Genetic Technologies fell 0.2 cents or 3.6 percent to 5.4 cents with 8.3 million shares traded.