



Biotech Daily

Friday June 19, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: COMPUMEDICS UP 18%, AVITA DOWN 12%**
- * **NSW \$25m FOR PAEDIATRIC RESEARCH, CLINICAL TRIALS CENTRE**
- * **GI DYNAMICS SACKS CHIEF MEDICAL OFFICER DR DAVID MAGGS**
- * **PRANA RECEIVES \$7m FEDERAL R&D TAX REFUND**
- * **DORSAVI: 'US CPT CODE 97750 COVERS VIMOVE, VIPERMOVE'**
- * **BENITEC CHANGES ADR RATIO TO 20-TO-1**
- * **AUSBIOTECH JUNE BIO-BEERS & BUBBLES**

MARKET REPORT

The Australian stock market climbed 1.31 percent on Friday June 19, 2015 with the S&P ASX 200 up 72.1 points to 5,597.0 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, 13 traded unchanged and one was untraded. All three Big Caps were up.

Compumedics was the best, up five cents or 18.2 percent to 32.5 cents with 88,758 shares traded, followed by Prima up 14.3 percent to eight cents with 24.2 million shares traded.

Impedimed climbed 7.5 percent; Prana and Psivida were up more than five percent; Optiscan and Viralytics improved more than four percent; Actinogen and GI Dynamics were up more than three percent; Anteo, IDT, Mesoblast, Neuren and Sirtex rose two percent or more; CSL, Nanosonics and Resmed were up more than one percent; with Cochlear up 0.9 percent.

Avita led the falls, down one cent or 12.05 percent to 7.3 cents with 46,247 shares traded.

Analytica lost 9.1 percent; Patrys fell 7.7 percent; Acrux 4.65 percent; Living Cell lost 3.85 percent; Bionomics, Genetic Technologies, Medical Developments, Pharmaxis and Tissue Therapies shed more than two percent; with Universal Biosensors down 1.6 percent.

NEW SOUTH WALES GOVERNMENT

The New South Wales Government says that the 2015-'16 Budget, to be delivered on June 23, 2015, will include \$25 million for paediatric research.

In a joint media release from the Minister for Health Jillian Skinner and the Minister for Medical Research Pru Goward, Ms Skinner said that a centrepiece of the investment would be "the establishment of Australia's largest clinical trials centre exclusively for paediatric research".

The media release said that the \$6 million clinical trials centre would be built at the Kids Research Institute at the Sydney Children's Hospital at Westmead.

Ms Skinner said that paediatric researchers from across New South Wales including the KRI, the Children's Medical Research Institute at Westmead and the Children's Cancer Institute at Randwick would have access to the centre, "allowing them to continue their dedicated pursuit of life-saving treatments and cures".

The media release said the \$25 million investment included \$5.5 million for an upgrade to facilities, equipment and technology across the three facilities; \$1 million to enhance the Children's Medical Research Institute Gene Vector Lab; \$10 million to relocate paediatric research across the Sydney Children's Hospital at Randwick to one floor of the Nelune building at Randwick; and \$2.5 million to upgrade and increase laboratory space for the personalized medicine program at the Children's Cancer Institute at Randwick.

Ms Goward said the funding boost offered hope to families and researchers in the fight against childhood disease.

"The ... Budget will continue cementing [New South Wales'] reputation as a centre of research excellence where the best and brightest choose to work," Ms Goward said.

GI DYNAMICS

GI Dynamics says that it has terminated the employment of chief medical officer Dr David Maggs "for cause".

GI Dynamics chief executive officer Michael Dale told Biotech Daily that there was nothing he could add to the announcement, but said: "It has nothing to do with the Endo trial or on-going discussions with the FDA."

In March, with 325 patients enrolled in the 500-patient trial of the Endobarrier gastric liner for obesity and type two diabetes, the US Food and Drug Administration halted enrolment, citing four cases of hepatic abscesses, or bacterial liver infections, which the company said were "a known event ... [but] presented at a higher than anticipated rate in the Endo trial" (BD: Mar 6, 2015).

Last month, GI Dynamics said that a fifth patient had developed a bacterial liver infection but it expected to restart the trial by July 2015 (BD: May 6, 2015).

In 2014, the European Union halted shipments of the Endobarrier with the company saying the halt was due to its method and timelines in reporting adverse events in clinical use (BD: Oct 6, 7, 2014).

In December, GI Dynamics said shipments had resumed following a review of the clinical evidence and it would clarify its indications to reflect that its obesity indication included a restriction to patients with a body mass index of 30kg/m² or more (BD: Dec 1, 2014).

Also last year, GI Dynamics "separated" its then chief financial officer Robert Crane "as part of a broader restructuring and focusing of the company" and reduced the number of staff by about 10 percent (BD: Dec 9, 2015).

Today, GI Dynamics said that Dr Maggs "remains subject to a non-disclosure, non-solicitation and non-compete agreement with the company".

GI Dynamics was up half a cent or 3.3 percent to 15.5 cents.

PRANA BIOTECHNOLOGY

Prana says it has received \$6.8 million from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Prana said the rebate related to research and development activities for the year to June 30, 2014 and the funds would be spent on development of PBT2 for Huntington's disease. Prana was up one cent or 5.9 percent to 18 cents.

DORSAVI

Dorsavi says that existing US current procedural terminology (CPT) codes can be used for its wearable sensor technology Vimove and Viperform.

Dorsavi said that CPT codes enabled healthcare providers to describe or report work performed under private and public insurance programs.

The company said the Minneapolis, Minnesota-based Regulatory & Clinical Research Institute found that CPT code 97750, which was used to report a physical performance test or measurement, aligned with the activities performed when its sensors and software were used to measure movement.

Dorsavi said that the US Medicare national average clinician payment was \$US33.42 (\$A43.02) for each 15-minute block of services and a corresponding written report and multiple units of the code could be billed in a single patient encounter provided documentation supported the time spent with the patient.

The company said that about \$US194 billion was spent on the treatment of spinal conditions in the US every year.

Dorsavi chief executive officer Dr Andrew Ronchi said that "clearing the path to rebate coding, coverage and payment will be substantial in advancing broader adoption of our clinically proven technology".

Dorsavi was up two cents or 7.7 percent to 28 cents.

BENITEC BIOPHARMA

Benitec says it has changed the ratio of its level 1 American depository receipt (ADR) program from five-to-one to 20-to-one effective from June 16, 2015.

Benitec said the ratio referred to the number of Australia shares constituting one ADR.

The company said that its ADR code had changed temporarily from BTEBY to BTEBD and would revert to BTEBY on July 14, 2015.

Benitec was unchanged at 76.5 cents.

AUSBIOTECH

Ausbiotech says this month's Melbourne Bio-Beers & Bubbles will be held on June 25, 2015 'at the Imperial Hotel in South Yarra.

Ausbiotech said the event "brings together Ausbiotech members and non-members in the life sciences, therapeutics, medical technology, food and agriculture biotechnology sectors [to] share ideas, build relationships and make new contacts in an informal setting".

Bio-Beers & Bubbles will be on June 25, 2015 from 5.30pm to 7.30pm at Upstairs at the Imperial, 522 Chapel Street, South Yarra.