



Biotech Daily

Friday May 30, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP:
- OSPREY UP 10%, PRANA, STARPHARMA DOWN 9%**
- * **ALCHEMIA FONDAPARINUX MARCH PROFIT SHARE \$2.4m**
- * **BENITEC APPOINTS BANK OF NEW YORK MELLON FOR ADR PROGRAM**
- * **VIRAX COMPLETES GGTI-2418 PATHWAY, PAUL HOPPER DEAL**
- * **RESONANCE REQUESTS TRANSACTION TRADING HALT**
- * **BALAM, LEON SEMENKO BELOW 5% OF RHINOMED**

MARKET REPORT

The Australian stock market fell 0.49 percent on Friday May 30, 2014 with the S&P ASX 200 down 27.0 points to 5,492.5 points. (Last night's edition reported the ASX up 0.14 percent when it was down 0.14 percent. The Thursday sub-editor has been seconded to the North Sydney Eleventy Gazette for retraining).

Thirteen of the Biotech Daily Top 40 stocks were up, 11 fell, 12 traded unchanged and four were untraded.

Osprey was the best, up five cents or 10 percent to 55 cents with 4,000 shares traded.

Atcor, Avita and GI Dynamics climbed nine percent or more; Admedus was up five percent; Neuren rose 2.9 percent; Bionomics, Biotron, Clinuvel, Ellex and Medical Developments were up more than one percent; with Mesoblast, Resmed and Sirtex up by less than one percent.

Prana and Starpharma led the falls, both down 9.1 percent to 20 cents and 60 cents, respectively, with 436,191 shares and seven million shares traded, respectively.

Anteo lost 6.1 percent; Alchemia, Circadian, Nanosonics and Oncosil fell four percent or more; Prima and Viralytics were down more than three percent; Patrys shed 2.9 percent; Tissue Therapies was down one percent; with Cochlear and CSL down by less than one percent.

ALCHEMIA

After the market closed, Alchemia said its profit share for generic fondaparinux sales for the three months to March 31, 2014 fell 7.8 percent to \$US2.18 million (\$A2.36 million). Last year, Alchemia said that its profit share for the three months to March 31, 2013 was \$US2.35 million, but the company would receive \$US1.85 million (May 22, 2013).

Today, Alchemia said it would receive \$1.82 million following its contribution of \$540,000 (\$US500,000) towards yield and cost of goods improvement activities, a payment to partner Dr Reddy's which ends on December 31, 2014.

The company said that Dr Reddy's market share for the anti-coagulant fell marginally from 33 percent to 32 percent.

Previously, Alchemia said that for the six months to December 31, 2013, the fondaparinux profit share was \$4.7 million and for the three months to September 30, 2013, its profit share was \$2.46 million (BD: Nov 28, 2013; Feb 18, 2014).

Alchemia fell two cents or four percent to 48 cents.

BENITEC BIOPHARMA

Benitec says it has appointed the Bank of New York Mellon as its US representative and depository bank to establish a sponsored level 1 American depository receipt program.

Benitec said the program would trade on the US over-the-counter market and was sponsored, as compared to its current US share trading arrangement under the Nasdaq code BNIKF which was an un-sponsored ADR program.

The company said the primary benefit of an ADR program was to widen the secondary capital market allowing Benitec shares to be traded more easily for US investors and the ADRs would be tradable through licenced US brokers in the ordinary course of trading in the over-the-counter market.

Benitec was unchanged at \$1.20.

VIRAX HOLDINGS

Virax says it has completed the acquisition of Pathway Oncology and its novel cancer drug candidate GGTI-2418 and appointed Paul Hopper as an executive director.

Virax said it expected to begin further clinical trials in breast cancer and multiple myeloma by July 2015 (BD: Mar 17, 2014).

The company said that it had issued 60 million shares to the vendors with the issue of a further 180 million Virax shares to the vendors contingent on the meeting of major clinical and regulatory milestones.

Virax said that the Pathway shareholders had agreed to a voluntary escrow period of 12 months from the settlement date.

The company said that the Los Angeles-based Paul Hopper would be appointed as an executive director, starting on \$90,000 a year.

Mr Hopper is the chairman of Viralytics and a director of Imugene.

Virax executive chairman Dr Wayne Millen said the company would "seek to maximize shareholder value by progressing these novel and important assets through clinical programs, with plans to expeditiously launch phase II trials of the technology in breast cancer and multiple myeloma, both diseases with a high unmet need for new therapies".

"The GGTI-2418 is an asset potentially synergistic with existing standards of care or as a monotherapy," Dr Millen said.

Virax was unchanged at 0.8 cents with 25.0 million shares traded.

RESONANCE HEALTH

Resonance has requested a trading halt “pending a potential corporate transaction”. Trading will resume on June 3, 2014 or on an earlier announcement.

Resonance last traded down 0.3 cents or 5.45 percent to 5.2 cents with 1.9 million shares traded.

RHINOMED (FORMERLY CONSEGNA GROUP)

Balam Global of the British Virgin Islands and Leon Semenenko say they have been diluted below the five percent substantial level in Rhinomed.

In 2012, Balam Global increased its substantial shareholding in the then Consegna to 96,600,000 shares or 15.47 percent of the company (BD: Jan 25, 2012).

In 2013, Consegna had a one-for-five consolidation reducing the holding to 19,320,000 shares (BD: Apr 17, 2013).

Today, a notice issued through Western Australia lawyers Clifford Chance said that Balam Global and Leon Semenenko held 19,230,000 shares, which was diluted “to less than five percent as a result of various issues of shares in Rhinomed”.

Rhinomed was unchanged at 2.7 cents with 2.9 million shares traded.