



Biotech Daily

Wednesday February 18, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PATRYS UP 36%, COMPUMEDICS DOWN 14%**
- * **SIRTEX H1 REVENUE UP 37% TO \$81m, PROFIT UP 58% TO \$18m**
- * **OSPREY MARKS FIRST SALES OF \$10K**
- * **NANOSONICS H1 REVENUE UP 50% to \$16m, LOSS TO \$1m PROFIT**
- * **IMMURON H1 REVENUE UP 39% to \$529k, LOSS DOWN 9% TO \$1.3m**
- * **COGSTATE H1 REVENUE UP 44% TO \$8m, LOSS UP 1% TO \$2.7m**
- * **PSIVIDA, ALIMERA ILUVIEN AVAILABLE IN THE US NEXT WEEK**
- * **EUROPE GRANTS 3rd PATENT FOR PATRYS PAT-SM6**
- * **ANATARA: 'DETACH REDUCES PIG MORTALITY, MORBIDITY'**
- * **IMUGENE RECEIVES \$231k FEDERAL R&D TAX REFUND**

MARKET REPORT

The Australian stock market climbed 0.98 percent on Wednesday February 18, 2015 with the S&P ASX 200 up 57.5 points to 5,915.7 points. Twenty of the Biotech Daily Top 40 stocks were up, 10 fell, nine traded unchanged and one was untraded.

Patrys was the best, up 0.4 cents or 36.4 percent to 1.5 cents with 33.5 million shares traded, followed by Genetic Technologies up 32.8 percent to 8.5 cents with 92.5 million shares traded, Universal Biosensors up 15.7 percent to 29.5 cents with 705,031 shares traded, Bionomics up 12.5 percent to 45 cents with 228,249 shares traded and Sirtex up 12.3 percent to \$33.81 with 1.3 million shares traded.

Osprey climbed 9.1 percent; GI Dynamics was up 6.1 percent; Impedimed and Uscom were up more than five percent; Benitec, Psivida and Tissue Therapies were up more than four percent; Prana was up 3.3 percent; Atcor, Cochlear, CSL, Medical Developments and Pharmaxis rose more than two percent; Acrux was up 1.5 percent; with Mesoblast, Nanosonics and Starpharma up by less than one percent.

Compumedics led the falls, down two cents or 14.3 percent to 12 cents with 134,500 shares traded. Circadian and Optiscan fell more than five percent; Alchemia and Viralytics were down more than three percent; Neuren, Oncosil and Prima shed more than two percent; Anteo lost one percent; with Clinuvel and Resmed down less than one percent.

SIRTEX MEDICAL

Sirtex says that revenue for the six months to December 31, 2014 was up 37.3 percent to \$80,452,000, with net profit after tax up 58.1 percent to \$17,655,000.

Sirtex said that dose sales of its SIR-Spheres for liver cancer were up 26.3 percent to 4,950 units for the six months, implying an average cost of \$16,253 per dose.

Sirtex said in the six months to December 31, 2014, US dose sales rose 28.0 percent to 3,390 doses, Asia Pacific sales were up 10.8 percent to 440 doses, with Europe, Middle East and Africa up 28.1 percent to 1,120 doses.

Sirtex chief executive officer Gilman Wong told a teleconference that Sirtex had reported "42 consecutive quarters of growth", the US dose price had increased by \$1,000 per dose and that foreign exchange changes had been an advantage.

Mr Wong said that European sales were assisted by a restoration of UK sales as well as new reimbursement, but the Australian dollar had improved against the Euro.

He told the teleconference that the company was investing in research and development and continuing to look for suitable acquisitions.

Sirtex chief medical officer Dr David Cade said the company had invested \$50.9 million in its five major clinical trials, including \$12.0 million in the six months to December 31, 2014.

Dr Cade said the Sirflox, Foxfire and Foxfire Global trials were fully recruited with 1,092 metastatic colorectal cancer patients and if the Sirflox trial was positive, SIR-Spheres could be used as a first line therapy, with interim results next month.

Dr Cade said that prior to the full results being presented at the American Society of Clinical Oncology for May 29 to June 2, 2015 the company would disclose whether or not it had met the primary endpoint, and if it did, that would mean that SIR-spheres had a statistically significant positive effect on progression-free survival in first line metastatic colorectal cancer patients compared to chemotherapy alone.

Dr Cade said the company was managing the change from salvation to first-line treatment, including education of opinion leaders, as well as reimbursement and regulation issues.

Sirtex said that research and development expenditure increased 3.7 percent to \$4,100,000 or 6.8 percent of revenue.

Sirtex said that net tangible asset per share increased 9.7 percent to \$1.027 at December 31, 2014 and diluted earnings per share was up 56.4 percent to 30.5 cents, with cash and cash equivalents of \$13,455,000 at December 31, 2014.

Sirtex said that a fully-franked final dividend of 14 cents was paid on October 22, 2014 for the financial year to June 30, 2014.

Sirtex climbed \$3.70 or 12.3 percent to \$33.81 with 1.3 million shares traded.

OSPREY MEDICAL

Osprey has booked its first sales, receiving \$US7,720 (\$A9,872) for 17 procedures since its Avert cardiac dye reduction system was launched in San Antonio, Texas.

Osprey said that the Avert and the Avert Plus with its disposable smart syringe and a liquid crystal display had both received US Food and Drug Administration clearance.

The company said the Texas launch was to establish best practice for adoption, ordering and usage in preparation for the full US launch targeted for late 2015 to early 2016.

Osprey developed the systems to reduce contrast-induced nephropathy when dye was used in cardiac procedures, with the Avert Plus designed to measure quantities of dye used and recovered, as well as reduce the amount of dye injected.

The company said it had cash and cash equivalents of \$US4,142,808 at December 31, 2014, with a net loss for the year of \$US9,723,145.

Osprey was up five cents or 9.1 percent to 60 cents.

[NANOSONICS](#)

Nanosonics says that revenue for the six months to December 31, 2014, was up 50.2 percent to \$16,320,000 turning the previous \$3,482,000 loss to a \$1,238,000 net profit after tax.

Nanosonics chief financial officer McGregor Grant told Biotech Daily that it was the second consecutive half year of profit having posted positive earnings for the six months to June 30, 2014.

Mr Grant said that he expected the next half year to be softer as the company moved to direct sales of the Trophon EPR in the US.

Mr Grant said that the business should not be judged on an individual quarter or half year but "the trend is going in the right direction".

Nanosonics said that gross profit margin was 64.0 percent compared to 61.8 percent in due to an increase in the proportion of higher margin consumable sales, the favorable impact of foreign exchange and an increase of higher margin direct sales in Europe.

The company said that other income increased \$794,000 compared with the prior corresponding period mainly due to an increase in reimbursement of costs received from a distributor plus foreign exchange gains recorded, while operating expenditure decreased by \$740,000 mainly due to lower employment related costs.

Nanosonics chief executive officer Michael Kavanagh said that the last six months saw "significant progress ... as we continue to execute on our strategic growth plans".

Mr Kavanagh said that along with "very pleasing sales results, this half saw excellent progress across many aspects of our operations".

Mr Kavanagh said that distribution expanded into five new countries in Europe with partner Miele Professional, new corporate facilities had been identified with a move scheduled by June 2015, the Europe and US clinical studies program had been expanded and there had been progress in the research and development strategy for the next generation Trophon, along with the development of pipeline opportunities, as well as the establishment of a direct sales operation in North America.

"In North America, Trophon EPR is now represented in 44 of the top 50 hospitals, and over 1500 hospitals in total," Mr Kavanagh said.

"With an installed base in excess of 4000 units and the market fundamentals for adoption continuing to strengthen, momentum in this region is growing well," Mr Kavanagh said.

"In Europe, the number of institutions adopting Trophon EPR continued to grow during the half," Mr Kavanagh said.

"The UK saw the introduction of new guidelines stressing the need for automated, validated decontamination systems as the optimum decontamination process, with Trophon EPR positioned well to meet the needs of these new guidelines," Mr Kavanagh said.

Nanosonics said that the previous diluted loss per share of 1.33 cents for the six months to December 31, 2013, turned to a diluted earnings per share of 0.46 cents for the six months to December 31, 2014.

The company said it had cash and cash equivalents of \$23,529,000 at December 31, 2014, compared to \$21,233,000 at June 30, 2014.

Nanosonics said that net tangible assets per share was up 14.7 percent to 8.21 cents at December 31, 2014 compared to 7.16 cents at December 31, 2013.

Nanosonics fell 1.5 cents or 0.9 percent to \$1.73 with 584,512 share traded.

IMMURON

Immuron says that revenue for the six months to December 31, 2014, was up 39.4 percent to \$529,000 reducing net loss after tax nine percent to \$1,303,000.

Immuron said that the revenue was primarily from the sales of Travelan for travellers' diarrhoea.

The company said that diluted loss per share fell 68.5 percent from 5.515 cents in the previous year to 1.739 for the six months to December 31, 2014.

Immuron said that net tangible assets per share was 7.335 cents at December 31, 2014, compared to negative 5.172 cents at December 31, 2103, but noted a 40-to-one capital consolidation on November 20, 2014 with net tangible assets and loss per share restated to reflect the change.

The company said it had cash and cash equivalents of \$4,570,813 at December 31, 2014, compared to \$6,141,789 at June 30, 2014.

Immuron fell two cents or 8.7 percent to 21 cents.

COGSTATE

Cogstate says revenue for the six months to December 31, 201 was up 44.4 percent to \$7,849,652, with a net loss after tax down 0.9 percent to \$2,656,492.

Cogstate said that revenue from its sports segment fell 37.3 percent to \$313,894, while revenue from clinical trials was up 48.9 percent to \$7,190,990 and its "precision recruitment" segment posted a maiden \$252,637 for the six months to December 31, 2014.

Cogstate said its net tangible assets per share fell 36.4 percent to 0.07 cents and diluted loss per share fell 15.15 percent from 3.3 cents to 2.7 cents.

The company said it had cash and cash equivalents of \$5,170,224 at December 31, 2014 compared to \$7,126,749 at June 30, 2014.

Cogstate was untraded at 17 cents.

PSIVIDA

Psivida says that initial US nationwide shipments of Iluvien for diabetic macular oedema are scheduled to begin on February 23, 2015.

Psivida said that licensee Alimera Sciences would provide an internet seminar for eye care professionals on March 2, 2015 at 8:30pm (USEST), with prior registration available at: www.Iluvien.com.

The company said that eight retinal specialists and one glaucoma specialist would describe their experiences with Iluvien, including videos of Iluvien injections and participate in a question and answer session.

Psivida said that Alimera executives would address product distribution and reimbursement questions.

Psivida chief executive officer Dr Paul Ashton said the company was "very pleased that shipments of Iluvien will begin next week".

"Iluvien represents an important treatment option for many diabetics who are losing vision due to [diabetic macular oedema]," Dr Ashton said.

Psivida said it was entitled to 20 percent of net profits on the sales of the Iluvien injectable, sustained-release micro-insert on a country-by-country, quarter-by-quarter basis.

The company said that Iluvien delivered the steroid flucinolone acetonide on a continuous basis for a period of 36 months and it was expected to be reimbursed in the US.

Psivida climbed 26 cents or 4.9 percent to \$5.52.

PATRY'S

Patry's says it has been granted a third European patent for its anti-cancer clinical candidate PAT-SM6.

Patry's said that the European Patent Office had confirmed the grant of the patent entitled 'Novel glycosylated peptide target in neoplastic cells'.

The company said that the European patent was derived from one of a series of patent applications submitted to cover the PAT-SM6 product and target.

Patry's said that the claims in the patent covered PAT-SM6 for use in treating various blood and solid cancers including myeloma, melanoma, lung, breast, pancreatic, kidney, colon, cervical and brain.

The company said that nine patents across the PAT-SM6 families had been granted in four jurisdictions including the US, Australia, Europe and Japan, with additional applications pending in Canada, Japan and the US.

Patry's was up 0.4 cents or 36.4 percent to 1.5 cents with 33.5 million shares traded.

ANATARA LIFESCIENCES

Anatara says the first field trial of its Detach non-antibiotic for pig diarrhoea reduced piglet mortality by 47.8 percent, reduced severe morbidity and increased weight gain.

Anatara said that the trial of the pineapple stem-derived Detach was conducted on a pig farm in Northern Victoria and the results would be used to support its application to register Detach with the Australian Pesticides and Veterinary Medicines Authority.

The company said that the farm had a history of problems with pre-weaning diarrhoea, or scour, and current approaches such as vaccines and antibiotics had failed to control the problem.

Anatara said that 21 litters with 233 piglets were treated with Detach, while 23 litters with 229 piglets were administered a placebo in a randomized and blinded study.

The company said that Detach significantly reduced piglet mortality by 47.8 percent, with 19 piglets in the Detach arm dying compared with 36 control piglets.

Anatara said that in the control group, 38 piglets were morbid, of which 36 died, compared to 28 morbid Detach piglets of which 19 died.

The company said that Detach increased the average weight of each piglet at weaning by 210g or 5.2 percent.

Anatara chief scientific officer Dr Tracey Mynott said the trial reproduced findings from earlier registration trials in which Detach was "proven to be safe and effective in several thousand piglets on commercial pig farms".

"In these early trials, as in the current trial, Detach significantly reduced mortality, and improved piglet weight gains which provides an economic benefit to the farmer," Dr Mynott said.

Anatara will now focus on completing additional registration trials, as well as scaling up its activities for registration of Detach in Europe and the US and hoped to launch Detach in Australia in 2016, and then launch in the EU and US in 2017.

The company has previously said that it would develop Detach for human use.

The chief executive officer of the Cooperative Research Centre for High Integrity Australian Pork Dr Roger Campbell said the trial results were "encouraging and support our view that Detach could provide a significant benefit to Australian pork producers".

Anatara chairman Dr Mel Bridges said the trial was "an important milestone ... and validates our belief that Detach will become a valuable tool in producing healthy pigs and generating significant economic returns for farmers".

Anatara was up seven cents or 21.2 percent to 40 cents.

IMUGENE

Imugene says it has received \$230,690 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Imugene managing director Charles Walker said that the company's research capability was "strengthened by this financial support".

Imugene was unchanged at 0.9 cents with one million shares traded.