



Biotech Daily

Friday October 15, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: LIVING CELL UP 28%; USCOM DOWN 13.5%**
- * **COMMERCIALISATION AUSTRALIA'S \$3.2m FOR BIOTECHNOLOGY**
- * **ATCOR SCORES \$800K PHARMACEUTICAL CONTRACT**
- * **EASTLAND PLEADS SCHULTZ, OLD NEWS TO ASX 26% PRICE QUERY**
- * **HALCYGEN AGM TO UP DIRECTORS' PAY 150%; RENAME MAYNE**
- * **AUSTRALIAN ETHICAL TAKES 6% OF QRX**

MARKET REPORT

The Australian stock market retreated 0.2 percent on Friday October 15, 2010 with the S&P ASX 200 down 10.1 points to 4689.0 points.

Nineteen of the Biotech Daily Top 40 stocks were up, nine fell, 10 traded unchanged and two were untraded.

Living Cell was best, up 4.5 cents or 28.1 percent to 20.5 cents with 703,992 shares traded, followed by Genetic Technologies up 15.4 percent to three cents with 76,923 shares traded.

Patrys, Prana and Prima climbed more than seven percent; Benitec and Nanosonics were up more than five percent; Optiscan and Phosphagenics were up more than four percent; Viralytics climbed three percent; Cellestis, Cochlear and Phylogica rose more than two percent; with Chemgenex, Heartware, Pharmaxis, Psivida, QRX, Resmed, Sirtex and Starpharma up one percent or more.

Uscom led the falls, down five cents or 13.5 percent to 32 cents with 7,000 shares traded, followed by Virax down 7.1 percent to 2.6 cents with 372,205 shares traded.

Compumedics and Tissue Therapies lost four percent or more; Alchemia was down 3.6 percent; with Acrux, Clinuvel and Genera down more than one percent.

COMMERCIALIZATION AUSTRALIA

Five biotechnology companies have received \$3.2 million of the \$8 million granted by Commercialisation Australia in the July and August 2010.

Innovation Minister Senator Kim Carr said 22 Australian researchers, individuals and businesses across medicine, defence, mining and information technology would share the more than \$8 million funds to help transform their projects into commercial successes. "There is a great range of new and exciting ideas in this country, but the pathway to the market can be difficult to navigate," Senator Carr said. "Through Commercialisation Australia, the Australian Government helps our best and brightest local entrepreneurs identify and maximize their commercial opportunities."

"The flow-on benefits strengthen our economy by increasing domestic and export earnings and creating jobs," Senator Carr said.

"This means a better future for our children and grandchildren," Senator Carr said.

The grants to biotechnology and medicine include \$1,748,268 to the New South Wales-based Biosceptre International for a prostate cancer diagnostic test.

Biosceptre said it would conduct clinical trials to demonstrate that its prostate cancer immuno-histochemistry diagnostic test can detect clinically significant and clinically insignificant forms of the cancer.

Biosceptre said the indication was "a huge unmet medical need that could significantly reduce the incidence of unnecessary early medical intervention and increase the chances of early detection".

Biosceptre said the results would be submitted to the FDA for a 510(k) clearance so that the product could be sold and marketed in the US and ultimately globally.

Victoria's Pod Orthotic Pty Ltd was awarded \$434,588 for a polymer hinge system which the company said "supersedes traditional mechanical joints".

Pod said the human motion hinge used synthetic ligaments to function like those in a human body, rather than traditional mechanical joints and would be applied to orthopaedic knee, elbow, ankle and wrist joint braces.

The Western Australia-based Dimerix Bioscience was awarded \$450,000 for a diabetic nephropathy treatment to halt kidney failure.

Dimerix said nephropathy was the leading cause of kidney failure in Western societies and through the use of G-protein-coupled receptor assay technology, a novel therapy was being developed to halt the progression of the disease.

Dimerix said it hoped to finalize a proof of concept supporting plans to licence the intellectual property to a pharmaceutical company for advanced clinical development.

South Australia's Madeleine Pharmaceuticals was awarded \$300,000 to commercialize a drug to improve the treatment of heart failure patients.

Madeleine said that based on a naturally occurring compound, the drug had "the potential to benefit people suffering both short-term and long-term heart failure effects.

The project would establish the commercial viability of the drug.

Sonomedical Pty Ltd of New South Wales was awarded \$250,000 for its 'Sonomat HST System' which it said was an "easy, unobtrusive at home diagnostic device for sleep disordered breathing".

Sonomedical said the system was "the first and only home sleep testing device that does not need attachment of wires or sensors".

The company said the funds would assist reviewing the intellectual property portfolio and establishing relationships with potential investors and distribution partners.

The Department of Innovation was unable to provide potential conflict of interest declarations from Commercialisation Australia board members at this time.

For more information go to: www.commercialisationaustralia.gov.au.

ATCOR MEDICAL

Atcor says it will supply Sphygmocor systems and clinical trial support services worth \$800,000 to an unnamed major pharmaceutical company, which is an existing customer. Atcor chief executive officer Duncan Ross said the contract was its fourth since US healthcare reform legislation was signed.

Mr Ross said other contracts were being negotiated with pharmaceutical and biopharmaceutical companies for the Sphygmocor system which measures central blood pressures and arterial stiffness non-invasively.

“This transaction further demonstrates the rebounding activity in the pharmaceutical trial sector and confirms Atcor’s market position as the leading provider of noninvasive central blood pressure and arterial stiffness measurement in clinical trials,” Mr Ross said.

“Understanding a drug’s effect on central pressure is vitally important in assessing efficacy and in assuring drug safety ... [and] is equally important in patient care,” Mr Ross said.

Atcor was up 2.5 cents or 26.3 percent to 12 cents with 5,000 shares traded.

EASTLAND MEDICAL SYSTEMS

Eastland 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 from 4.3 cents on October 13, 2010 to 5.4 cents, a 25.6 percent increase, on October 14, and noted an increase in trading volume. Eastland was up half a cent or 9.6 percent to 5.7 cents with 15.4 million shares traded.

HALCYGEN PHARMACEUTICALS

Halcygen’s annual general meeting will vote to increase the maximum aggregate directors’ fees from \$200,000 to \$500,000 and change its name to Mayne Pharma Group. Halcygen acquired the then \$300 million Mayne Pharma from Hospira Inc for \$US15 million and a share of the next six years’ profits (BD: Sep 25, 2009).

The meeting will also vote on director Ronald Best and the election of Roger Corbett (BD: Oct 14, 2010).

The meeting will be held at the Stamford Plaza Hotel 111 Little Collins Street, Melbourne, on November 17, 2010 at 10am (AEDT).

Halcygen was up 3.5 cents or 5.8 percent to 64 cents.

QRX PHARMA

Australian Ethical’s Smaller Companies Trust has become a substantial shareholder in QRX with the acquisition of 6,343,443 shares or 5.96 percent of the company.

The Smaller Companies Trust is the highest risk-return ratio of the Australian Ethical Trusts.

Australian Ethical said that between July 30 and October 14, 2010 it bought 2,556,298 QRX shares for \$2,284,565 or an average price of 89.4 cents share.

QRX was up one cent or 1.1 percent to 89 cents.