



Biotech Daily

Monday April 6, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP; UNIVERSAL BIO UP 17%, CYTOPIA DOWN 15%**
- * **LIVING CELL TYPE 1 DIABETES TRIAL PATIENT 'INSULIN-INDEPENDENT'**
- * **UNIVERSAL BIO PLEADS SCHULTZ TO ASX 62% SHARE PRICE QUERY**
- * **UNILIFE MOVES TO PENNSYLVANIA; STATE PROVIDES \$2.5m FUNDS**
- * **CHEMGENEX IN FUNDING TRADING HALT; DENIES AFR ARTICLE**
- * **BIOTA CHAIR DR JAMES FOX BUYS 110k SHARES**
- * **CHALLENGER INCREASES TO 6% OF PROBIOTEC**
- * **SOLAGRAN DIRECTOR DR ROBERT PAYNE INTERIM COMPANY SEC**

MARKET REPORT

The Australian stock market climbed 0.56 percent on Monday April 6, 2009 with the S&P ASX 200 up 21 points to 3,756.6 points.

Eighteen of the Biotech Daily Top 40 stocks were up, eight fell, four traded unchanged and 10 were untraded.

Universal Biosensors was best for the third trading day in a row, up 13 cents or 17.33 percent to 88 cents with 236,217 shares traded. The company has climbed a total of 66.0 percent since March 31 (see below).

Phosphagenics climbed two cents or 13.33 percent to 17 cents; Bionomics was up 9.5 percent; Novogen and Phylogica were up more than eight percent; Cellestis climbed 7.14 percent; Sirtex was up 5.26 percent; Nanosonics was up 4.11 percent; Acrux, Alchemia and Peplin were up more than three percent; Genera, Progen and Tissue Therapies rose more than two percent; with Circadian, Cochlear, Pharmaxis and Resmed up more than one percent.

Cytopia led the falls, down two cents or 15.38 percent to 11 cents with 34,834 shares traded, followed by Clinuvel down 9.09 percent to 20 cents.

Polartech lost 7.69 percent; Viralytics was down 5.13 percent; Labtech fell 3.6 percent; Avexa and Optiscan shed more than two percent; with Arana down 0.73 percent.

LIVING CELL TECHNOLOGIES

Living Cell says it has demonstrated "insulin independence in a patient with insulin dependent type 1 diabetes who received Diabecell" in its on-going phase I/IIa clinical trial. Living Cell said a 37 year-old woman patient who was on daily insulin injections for 15 years had been implanted with the Diabecell encapsulated insulin-producing porcine cells, "and now maintains good blood glucose control without insulin injections".

The company said live porcine cells in intact capsules have been biopsied from the site of implants in the abdomen and porcine insulin was detected in the patient's blood.

Living Cell's medical director Prof Bob Elliott said patients who received the initial doses of the implants had "clearly shown benefit".

"Early in the study, one patient attained insulin independence for eight weeks following the lowest dose of 5,000 islet equivalents," Prof Elliott said. "She was given another implant at the lowest dose six months after the first."

Living Cell said the dose was 5,000 islet equivalents (IEQ) per kilogram of body weight.

"Subsequently, she required half the daily pre-implant insulin dose to maintain satisfactory blood glucose levels for the following year," he said.

"A third implant of 8,000 IEQ per kg was administered and she again did not need insulin injections to maintain normal blood glucose levels."

Living Cell's chief executive officer Dr Paul Tan said the encapsulated cells offered both an alternative and a physiological replacement therapy "to provide new hope and improved lifestyles for people with diabetes".

"At this early stage of clinical trials, results show that insulin independence is potentially achievable at least in some patients and that repeat implants are safe," Dr Tan said.

Dr Tan said the company had narrowed product quality release specifications.

"Responses to higher doses at first implants in future patients will clarify when and if repeat doses are necessary," Dr Tan said.

Living Cell said that a total of seven patients had received Diabecell implants in the safety and dose finding study.

Patients were administered low or medium dose implants (5,000 IEQs to 10,000 IEQs) per kg body weight and some had a repeat implant at least six months after the first.

The company said there had been no remarkable adverse events attributed to repeat implants.

Interim results from the trial conducted in Moscow has shown good blood glucose control as reflected by a reduction in glycated haemoglobin levels following the implants with reduction in daily insulin doses for the implant doses administered to date.

Living Cell was unchanged at 11 cents.

UNIVERSAL BIOSENSORS

Universal Biosensors 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 53 cents on March 31, 2009 to 86 cents on April 6, 2009, along with an increase in trading volume.

Universal Biosensors said Johnson & Johnson company Lifescan decided not to take the original blood glucose test to registration (BD: Feb 16, 2009) with discussions continuing.

The company said in its Form 10-K annual report filed on March 31, 2009 it was in discussions "with respect to the commercial terms for the development and manufacture of the enhanced blood glucose test strip and the resulting amendments required to the master services and supply agreement between Lifescan and the company".

Universal Biosensors was up 13 cents or 17.33 percent to 88 cents.

UNILIFE MEDICAL SOLUTIONS

Unilife says it has formally relocated key commercial and operational functions including the chief executive officer's office to its Lewisberry facility in Pennsylvania.

Unilife said it had changed the name of its wholly-owned US subsidiary from Integrated Biosciences to Unilife Medical Solutions.

The company said the change of name for its US incorporated subsidiary would support its listing on a US stock exchange later this year.

Unilife said it announced the name change at its Pennsylvania office on April 2, 2009 along with the provision of a \$2.5 million funding program from the Commonwealth of Pennsylvania.

The program includes an \$840,000 infrastructure and facilities improvement grant, a \$140,000 opportunity grant, a \$1.4 million loan from the Machinery and Equipment Loan Fund and a \$105,000 grant for job training assistance.

In a media release, Pennsylvania Governor Edward Rendell said that "with a boost from state investments, a safety medical device company has relocated its world headquarters to York County in an \$8.7 million expansion project that will create 33 high-wage jobs".

Gov Rendell said Unilife would manufacture innovative healthcare safety products, like its pre-filled syringe, which could help protect people from needlestick injuries and other unsafe injection practices.

The media release said the expansion project would create "at least 33 jobs and retain at least 87 positions, although the company expects to exceed those figures".

"The arrival of the global headquarters for a rapidly expanding medical device company would be incredible news under any circumstance, but it's especially noteworthy in these tough economic times," Gov Rendell said.

"Unilife's arrival underscores the importance of working hard, every day, to bring companies to Pennsylvania," Gov Rendell said.

"We must invest in projects that create employment opportunities in high-growth industries and leverage private-sector investment in the state," he said.

Unilife chief executive officer Alan Shortall said the company was "grateful for the support of the Commonwealth of Pennsylvania and, in particular, Gov Rendell, for showing the leadership to attract international investment and enhance the reputation of the state as a place to do business".

Unilife was up two cents or eight percent to 27 cents.

CHEMGENEX

Chemgenex has requested a trading halt pending an announcement regarding a "proposed capital raising".

Chemgenex said an article in today's Australian Financial Review "incorrectly quotes statements to the effect that no capital raising is proposed".

"Chemgenex confirms it is in fact considering a capital raising," the company said.

Chemgenex chief executive officer Dr Greg Collier denied the comments attributed to him in the Financial Review.

Dr Collier told Biotech Daily that in a niche market like Chemgenex's omacetaxine for chronic myeloid leukemia, it made more sense to take the drug all the way through the regulatory process.

"By getting the drug through to registration ourselves, we get the best value for our shareholders," Dr Collier said.

Trading will resume on April 8, 2009 or on an earlier announcement.

Chemgenex last traded at 52 cents.

BIOTA

Biota's recently appointed chairman (BD: Mar 2, 2009) Dr James Fox has indirectly acquired 110,000 shares in the company.
The shares were bought on market at 65.5 cents a share through Penashe Holdings.
Dr Fox indirectly holds 110,000 Biota shares.
Biota climbed half a cent or 0.76 percent to 66 cents.

PROBIOTEC

Challenger Financial Services has increased its substantial shareholding in Probiotec from 2,380,430 shares (5.11%) to 2,880,673 shares (6.13%).
Acorn paid \$4,460,037.58 for the 3,053,991 shares or \$1.46 a share.
Probiotec was up five cents or 3.12 percent to \$1.65.

SOLAGRAN

Solagran says director Dr Robert Payne has been appointed interim company secretary replacing Peter Stedwell who died last week (BD: April 1, 2009).
The company said Dr Payne had "considerable experience in public company secretarial roles".
Solagran was untraded at 7.4 cents.