



Biotech Daily

Friday August 20, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PRIMA UP 4%; SUNSHINE HEART DOWN 9%**
- * **BIOGUIDE BRIEF: CHEMEQ - IT'S STILL ALIVE!**
- * **ATCOR PROFIT DOWN 28% ON REVENUE DOWN 19% TO \$9.25m**
- * **PROBIOMICS \$80k PROFIT, ON REVENUE DOWN 32% TO \$1.1m**
- * **USCOM REVIEWS SALES, DISTRIBUTION, CO-DEVELOPMENT**
- * **AUSBIOTECH, DEVELOPINDY TALK TRANS-PACIFIC COLLABORATION**

MARKET REPORT

The Australian stock market fell 1.07 percent on Friday August 20, 2010 with the S&P ASX 200 down 48.1 points to 4430.9 points. All three Big Caps fell.

Eight of the Biotech Daily Top 40 stocks were up, 19 fell, eight traded unchanged and five were untraded.

Prima was best, up 0.4 cents or 4.4 percent to 9.4 cents with 4.45 million shares traded.

Compumedics and Novogen were both up 3.7 percent to 14 cents; Clinuvel rose 2.3 percent; with QRX up 1.1 percent.

Sunshine Heart led the falls, down 0.3 cents or 8.6 percent to 3.2 cents with 200,000 shares traded, followed by Benitec down 7.1 percent to 2.6 cents with 864,600 shares traded.

Antisense lost 6.7 percent; Cathrx and Living Cell were down five percent or more; Bionomics, Genetic Technologies, Prana, Viralytics and Virax lost more than three percent; Biota, Heartware, LBT and Phylogica shed more than two percent; with Cochlear, Psivida, Resmed and Universal Biosensors down more than one percent.

MARC SINATRA'S BIOGUIDE BRIEF: CHEMEQ

Who out there remembers Chemeq?

Just to refresh your memory, Chemeq was the company who found blue sky in the minds of investors when they decided to focus their novel antimicrobial on the agricultural antibiotic feed additive market.

And a lot blue sky they did find, with their price surging to more than \$8.00. Unfortunately for Chemeq and even more unfortunately for its shareholders, that blue sky held exactly what blue sky does – nothing more than air.

They then spent the next few years trying to build a company to serve a large but margin-less market, ignoring countries with appropriate regulatory regimes, avoiding any serious clinical trial programs, building a ginormous white elephant of a manufacturing plant just outside Perth, getting involved in death spiral finance and eventually ceasing trading on the ASX.

All of these decisions were predicated on the value of the blue sky

The funny thing is I was talking to a very well-respected, biotechnology figure who told me that Chemeq's prospectus was a great document and, at the time, the company looked very well run and had a very bright future. But that was when Chemeq was focusing on the cosmetics market.

Funnily enough, Chemeq is back in the cosmetics market and, last year, found a manufacturer able to manufacture its antimicrobial, Cereese, from green technology.

More impressively, a few days ago they signed a research and commercialization agreement with Elanco, the animal health arm of Eli Lilly. And I am told Chemeq has funds for about 12 months of operations.

It makes you wonder where Chemeq would be if they hadn't found all that blue sky.

Chemeq is in a suspension and last traded at 8.3 cents.

**Marc Sinatra
Analyst**

ATCOR MEDICAL

Atcor's net loss for the 12 months to June 30, 2010 was down 28 percent to \$1,220,057 on revenue down 19 percent to \$9,252,279.

Net tangible asset backing per share fell from 4.5 cents in 2008'-09 to 3.6 cents at June 30, 2010. Diluted loss per share fell from 1.6 cents to 1.2 cents.

Atcor said it would not pay a dividend.

Atcor said that while global sales were down four percent to 9.2 million year "on year on a constant currency basis" second half sales increased four percent on a constant currency basis and US sales increased by five percent.

The company said pharmaceutical sector sales rebounded in the second half, growing 16 percent compared to the previous corresponding period after a slow first six months.

Atcor was up half a cent or 3.85 percent to 13.5 cents.

PROBIOMICS

Probiomics net profit after tax for the 12 months to June 30, 2010 was \$80,144 compared to the previous year's loss of \$210,906.

The company said revenue fell 32 percent to \$1,106,514.

Probiomics said that diluted profit per share was 0.03 cents compared to a loss of 0.10 cents at June 30, 2010.

Net tangible assets per share increased 212.5 percent from 0.016 cents last year to 0.05 cents at June 30, 2010.

Probiomics was untraded at one cent.

USCOM

Uscom says it will hold a strategic review of its sales and distribution for several reasons including the expiry of the Spacelabs distribution agreement on December 13, 2010.

Uscom said the review was intended to strengthen global sales coverage of its ultra-sonic cardiac output monitor (Uscom) and identifying new distribution partners across markets to complement or replace current sales and distribution capability.

The company said that as part of the review new product co-development partners would be identified to accelerate penetration of new market.

Uscom said that sales and distribution capabilities were predominantly divided between Spacelabs Healthcare and Pacific Medical Systems and the review was to determine where and how additional sales and distribution capability may be deployed to improve sales performance in these markets.

Uscom executive chairman Rob Phillips said it had been "a difficult two years for emerging medical device markets with the global financial crisis and US healthcare reforms having changed the sales environment for hospital capital asset purchases dramatically".

"However we are intent on responding to this changed environment and improving our current sales performance by identifying new distribution opportunities which will more efficiently deliver Uscom to the health care providers," Mr Phillips said.

Uscom was untraded at 34 cents.

AUSBIOTECH

Ausbiotech and Indianapolis's Developindy organization will discuss partnership and collaboration opportunities between the two jurisdictions on life sciences.

Ausbiotech said that with Developindy it would host an evening with the life sciences industry in Indianapolis, Indiana.

Developindy is funded by the Indianapolis Marion County local government and executives from Indianapolis will be in Melbourne "to discuss the opportunities that exist in Indianapolis and share their experiences about the advantages of running North American operations from Indianapolis".

The evening will be at Ausbiotech, Level 1, 322 Glenferrie Road, Malvern, Victoria on August 30, 2010 from 5:30pm and is free for members and \$33 for non-members.