Biotech Daily

Wednesday February 17, 2010

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: PRIMA UP 17%; PHOSPHAGENICS DOWN 13%**

*** BIOTA H1 RECORD PROFIT UP 364% TO $33.5m, REVENUE UP 84%**

*** CSL H1 PROFIT UP 23% TO $617m, REVENUE UP 2% TO $2,415m**

*** ATCOR SPHYGMOCOR SHOWS DRUG EFFICACY FOR PRE-ECLAMPSIA**

*** LBT (LABTECH) H1 REVENUE DOWN 90% TO $202k, RETURN TO RED**

*** INCITIVE EXTENDS ACQUISITION TRADING HALT TO SUSPENSION**

*** HEALTHLINX COLLECTS OVARIAN CANCER DIAGNOSTIC SAMPLES**

MARKET REPORT

The Australian stock market was up 2.2 percent on Wednesday February 17, 2010 with the S&P ASX 200 up 100.1 points to 4667.9 points.

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

Prima was best, up 2.5 cents or 17.2 percent to 17 cents with 13.3 million shares traded.

Compumedics, CSL and Living Cell climbed more than five percent; Impedimed was up 4.8 percent; Acrux, Cathrx, Cellestis and Cellmid were up more than three percent; Benitec, QRX and Tissue Therapies rose more than two percent; with Chemgenex, Genera and Sirtex up more than one percent.

Phosphagenics led the falls, down 1.3 cents or 13.4 percent to 8.5 cents with 11.3 million shares traded, followed by Optiscan down 9.3 percent to 6.8 cents with 74,000 shares traded.

Patrys lost 6.25 percent; Universal Biosensors fell 4.6 percent; Bionomics and Prana were down more than three percent; Alchemia and Resmed shed more than two percent; with Antisense down more than one percent.

BIOTA

Biota has reported a record profit after tax for the six months to December 31, 2009 up 364 percent to $33,485,000 million on revenue up 84 percent to $61,663,000.
Biota said it received $56,715,000 in Relenza royalties along with $1,354,000 in collaboration income and $800,000 in research revenues from Astrazeneca and Biehringer Ingelheim as well as partnering income of $554,000.
Research and development costs including product development amounted to $15,489,00 or 25.1 percent of total revenue with direct research and development costs of $10,722,000 or 17.4 percent of total revenue.
The company did not provide a full year forecast but said that "based on the first half [2009-'10] will be a record year".
Biota said its development pipeline was extensive and well funded, there was commercial interest in laninamivir and an intention to secure a licencee outside Japan and the company's costs remained under tight control.
Diluted earnings per share was up 363.4 percent to 19.0 cents, compared to the previous corresponding period. No dividend will be paid.
The company had $52 million in cash at December 31, 2009 following the $20 million capital return to shareholders.
Biota was up one cent or 0.5 percent to $2.05.

CSL

CSL has reported profit after tax for the six months to December 31, 2009 up 23 percent to $617.4 million on total revenue up two percent to $2,415.0 million.
CSL said that without "a foreign exchange headwind" net profit after tax would have been up 32 percent.
CSL's public affairs director Dr Rachel David said the difference between the small increase in revenue and the larger increase in profit was in part related to cost-cutting in the US including travel and staff.
The company said cash flow from operations was up 10 percent to $491 million compared to the previous corresponding period.
Research and development costs were $147 million or 6.1 percent of total revenue.
CSL chief executive officer Dr Brian McNamee told a teleconference that "the result has numerous highlights" including the development of the H1N1 vaccine and clinical trials as well as strong sales across most divisions. He said the US immunoglobulin market had been "a little low" as buyers reduced stockpiles.
The H1N1 influenza virus remained a threat but patients had achieved full vaccination with a single dose, thereby reducing previously expected demand, he said.
Dr McNamee said the share buy back was 86 percent complete with about $1.5 billion spent and about $1 billion in cash.
"We are well-positioned for next year," Dr McNamee said, "Our business across the world did well."
He said the full year forecast was for a net profit after tax of $970 million to $1,070 million using current exchange rates, which CSL compared to $1,160 million to $1,260 million using last year's exchange rates.
The company said an interim unfranked dividend of 35 cents a share would be paid on April 9, 2010 for shareholders at the record date of March 15, 2010, an increase of 17 percent over the first half of the previous year.
Diluted earnings per share was up 19.8 percent to $1.06.
CSL was up $1.65 or 5.1 percent to $33.90 with 6.5 million shares traded.

ATCOR MEDICAL

Atcor says a University of Illinois Medical Center study has shown a new use for Sphygmocor, monitoring drug therapy in hospitalized patients with pre-eclampsia.

Atcor said pre-eclampsia was a potentially life-threatening complication of pregnancy and its Sphygmocor non-invasive central blood pressure and arterial stiffness measure showed that "in women with pre-eclampsia, intravenous treatment with magnesium sulfate - primarily administered to prevent seizures - significantly decreased central pressure and arterial stiffness".

Atcor chief executive officer Duncan Ross said the study added to the "evidence of the importance of measuring noninvasive central blood pressure in the diagnosis and treatment of pre-eclampsia … and presents a new application for our technology".

"Using noninvasive central pressure assessment, the investigators were able to measure important drug effects that were not detectable with standard brachial cuff blood pressure measurements," Mr Ross said.

Atcor said the investigators measured central pressure and arterial augmentation index, an indicator of arterial stiffness, with Sphygmocor at four points: before the drug was administered; one hour after a bolus injection; four hours after maintenance intravenous infusion; and 24 hours after delivery and the cessation of drug therapy.

The study found that central arterial pressure and arterial stiffness decreased significantly after the drug was administered, with the greatest decrease occurring four hours after maintenance drug therapy was initiated.

Twenty-four hours after delivery and the cessation of drug therapy, arterial pressure had risen slightly but arterial stiffness remained at the same level, Atcor said.

The study entitled 'Effects of magnesium on central arterial compliance in preeclampsia' was presented at the 2010 Maternal and Fetal Medicine Society meeting by lead author Dr Dennie Rogers and published in the American Journal of Obstetrics and Gynecology (Dec 2009) and is at http://www.ajog.org/article/PIIS0002937809011727/fulltext.

"Studies published earlier by a … team at the University of London showed that elevated central blood pressure predicted 88 percent of cases of early onset preeclampsia," Mr Ross said. "The same team also published a study showing that the effects of alpha methyldopa in lowering central blood pressures and arterial stiffness in pre-eclamptic women could only be measured with noninvasive central blood pressure assessment."

Mr Ross said the studies evidenced the need to measure central blood pressure.

"It is the only way to fully evaluate and manage the cardiovascular risks and benefits of drug therapy," Mr Ross said.

Atcor fell half a cent or 2.9 percent to 16.5 cents.

LBT INNOVATIONS

LBT (formerly Labtech) says its revenue for the six months to December 31, 2009 fell 90 percent 90 percent to $202,060, returning the company to a net loss after tax.

The loss was $521,912 for the six months compared to a half year profit of $739,797 for the six months to December 31, 2008 and a full year profit of $337,000 for the 12 months to June 30, 2009.

LBT said that "unlike the previous corresponding half-year period, there was no revenue from licence fees for the half year to December 31, 2009" but a further licence milestone payment of EUR 2 million ($A3.1 million) was expected in April 2010.

LBT said the first royalty payment of $111,000 from Biomérieux was part-payment of the minimum royalty provision for the calendar year 2009.

LBT was untraded at 8.8 cents.

INCITIVE

Incitive has requested a suspension to follow on from the trading halt requested on February 12, 2010 relating to a proposed acquisition.
Incitive last traded at 0.6 cents.

HEALTHLINX

Healthlinx says it has secured more than 400 of the first 450 samples required for its second study of its Ovplex ovarian cancer diagnostic.
The company said the remainder were expected to be available “in the near future”.
Healthlinx said the study would be run in two stages, with the first expected to commence in the coming month “with results due by the middle of the calendar year”.
The company said the second stage would begin when the remaining 700 samples were collected at clinics in Australia and the United Kingdom.
Healthlinx said the trial of 1150 samples using the existing Ovplex panel would also assess two new biomarkers AGR2 and HTX010 for utility in the panel.
The company said the study would be “a robust comparison of sensitivity and specificity especially for early stage diagnosis in symptomatic women”.
Healthlinx was up 0.1 cents or 1.2 percent to 8.5 cents.