



Biotech Daily

Wednesday March 23, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH FLAT: ANTISENSE UP 40%; VIRAX DOWN 4%**
- * **ELLEX LAUNCHES ULTRASOUND BIO-MICROSCOPE DIAGNOSTIC**
- * **STARPHARMA COMPLETES II BACTERIAL VAGINOSIS RECRUITMENT**
- * **THIRD US PATENT FOR GENERA'S AMPASAND, PAPTYP TEST**
- * **PRANA LEAPS AGAIN ON EXPECTATION OF RAISING \$6m**
- * **CAPITAL GROUP SELLS 7m CSL SHARES**
- * **PHYLOGICA REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **INVETECH, AUSMEDTECH HOST HEALTHCARE FUTURE SEMINAR**
- * **NEW DIRECTORS AVOID IM MEDICAL BOARD-ROLLING EGM**
- * **FERMISCAN RETURNS TO TRADING, UNTRADED**
- * **MEDIGARD APPOINTS CFO PATRICIA BOERO COMPANY SECRETARY**

MARKET REPORT

The Australian stock market was up 0.19 percent on Wednesday March 23, 2011, with the S&P ASX 200 up 9.0 points to 4652.4 points.

Twelve of the Biotech Daily Top 40 stocks were up, seven fell, 14 traded unchanged and seven were untraded.

Antisense was best, up 0.4 cents or 40 percent to 1.4 cents with 270.8 million shares traded.

Cellmid and Prana climbed more than eight percent; Phosphagenics was up five percent; Mesoblast and Prima were up more than four percent; Alchemia and Cellestis climbed more than three percent; Cochlear and Pharmaxis rose more than two percent; with CSL and Sirtex up one percent or more.

Virax led the falls, down 0.1 cents or 3.6 percent to 2.7 cents, with 105,625 shares traded, followed by Viralytics down 2.5 percent, with Resmed, Starpharma and Tissue Therapies down more than one percent.

ELLEX MEDICAL LASERS

Ellex will launch a new ultrasound mode for its Eye Cubed pre-operative diagnostic at the American Society of Cataract and Refractive Surgeons San Diego meeting this weekend. Ellex said the Eye Cubed system had “unparalleled sensitivity and exceptional image resolution” and the new 40MHz ultrasound biological microscope (UBM) mode practitioners would be able to “view various types of pathology at a much higher level of resolution, expanding their anterior diagnostic capabilities when using the system pre-operatively for premium intraocular lens sizing”.

The company said the high frequency of the 40MHz UBM mode allowed benefits including improved image resolution, which was important when imaging detailed anterior structures such as the cornea, iris and the crystalline or intraocular lens and enabled the visualization of accommodative intraocular lenses and their movement.

Ellex chief executive officer Simon Luscombe said the 40MHz UBM mode achieved “the optimal level of sensitivity required for viewing the anterior segment of the eye”.

“The unique transducer design of the probe, combined with the system’s industry-leading signal-to-noise ratio, minimizes noise and thereby enables the detection of echoes from some of the smallest anomalies in the eye,” Mr Luscombe said.

“As a result, the Eye Cubed is able to generate highly detailed images, offering a number of benefits for a range of pathologies and procedures,” Mr Luscombe said.

Ellex said the Eye Cubed was one of its best-selling products, with thousands of systems installed worldwide.

Ellex was up half a cent or three percent to 17 cents.

STARPHARMA HOLDINGS

Starpharma says it has completed enrolment in its 132-patient phase IIa study of Vivagel for the treatment of bacterial vaginosis (BD: Aug 16, 2010).

Starpharma said the US study was investigating the effectiveness of Vivagel administered once daily for seven days in the treatment of bacterial vaginosis and the results were expected by July, 2011.

Starpharma said bacterial vaginosis was the most common vaginal infection worldwide, and the most common cause of vaginal irritation, discharge and malodor.

The company said in the US it affected about one-third of the adult female population.

Starpharma said bacterial vaginosis was implicated in pelvic inflammatory disease and could be associated with an increased risk of sexually transmitted infections, including HIV as well as pre-term birth.

The company said bacterial vaginosis (BV) was characterized by frequent recurrence, with some women experiencing it as many as three or more times a year and current therapies were generally considered inadequate, with lasting cure rare and difficult to achieve.

Starpharma chief executive officer Dr Jackie Fairley said completion of the study was “an important milestone in the development of Vivagel”.

“The global market for topical BV treatments alone is estimated to be approximately \$US300-350 million per year, while the market for a product to prevent ... recurrence is estimated to be significantly larger than the acute treatment market,” Dr Fairley said.

“We look forward to the results of this trial, as well as progressing studies for prevention of BV,” Dr Fairley said.

Starpharma said it planned to initiate a second phase II study to assess the ability of Vivagel to prevent recurrence of bacterial vaginosis.

Starpharma fell two cents or 1.9 percent to \$1.03.

GENERA BIOSYSTEMS

Genera says the US Patent and Trademark Office has granted a patent relating to its Paptype human papillomavirus test.

Genera said the patent entitled 'Human Papilloma Virus detection using nucleic acid probes, microbeads and fluorescent-activated cell sorter' was the third US patent granted covering aspects of its Ampasand silica bead-based platform, the technology which underpins the Paptype test and the developmental RTI-plex test.

The company said the first two patents described aspects of the Ampasand technology and its ability to multiplex, while the new patent was the first to specifically describe the application of the technology in an in vitro diagnostic test.

Genera chief scientific officer and inventor of the Ampasand system Dr Karl Poetter said the patent was "an important strand in the web of intellectual property protection that we have built around Ampasand generally and the Paptype test more specifically".

"Along with the other patents, software copyright and trade secrets, we believe that we have an increasingly robust [intellectual property] package to present to potential partners in the HPV arena," Dr Poetter said.

Genera was unchanged at 26 cents.

PRANA BIOTECHNOLOGY

Prana says it expects to place 27,200,000 shares at 22.5 cents a share to raise \$6,120,000 on or about March 25, 2011.

Prana said the institutional investors would be granted about 6,800,000 options to acquire shares, exercisable at 22.5 cents within four years of the issue date.

Prana said the funds would be used for ongoing and future research programs for the company's programs including PBT2 for Alzheimer's disease as well as working capital.

The company said Rodman & Renshaw acted as the placement agent.

Last night on the Nasdaq, Prana climbed 98 US cents or 36.3 percent to \$US3.68 with 36.5 million shares traded.

On the ASX Prana climbed as high as 38 cents before closing up two cents or 8.2 percent to 26.5 cents with 19.7 million shares traded.

CSL

Capital Group Companies reduced their substantial shareholding in CSL from 41,854,078 shares (7.52%) to 34,827,695 shares (6.50%).

Capital Group said it sold 7,026,383 shares for an average price of \$33.7785.

Last year Capital Group acquired 4,063,035 shares for an average \$33.4027 per share between October 19, 2009 and March 8, 2010 (BD: Mar 10, 2011).

The Capital Group said it did not own shares in CSL but on behalf of "one or more of the investment management companies that make up the Capital Group Companies".

CSL was up 34 cents or one percent to \$34.39 with 1.9 million shares traded.

PHYLOGICA

Phylogica has requested a trading halt pending an announcement while "the company finalizes a capital raising".

Trading will resume on March 25, 2011 or on an earlier announcement.

Phylogica last traded at seven cents.

INVETECH, AUSMEDTECH

Invetech and Ausbiotech's devices and diagnostics section Ausmedtech will host an April 5, 2011 seminar on 'The Future of Healthcare: Science Fiction to Science Fact'.

Product developer and manufacturer Invetech said the seminar would hear from industry leaders from Siemens, Pricewaterhousecoopers and Invetech, presenting on topics including healthcare trends, technologies transforming global health and the future of research and development funding in Australia.

Invetech said speakers included Siemens' project manager Cameron Marcuccio, Pricewaterhousecoopers' research and development director Dr Marcus Tierney, Invetech life sciences and pharmaceutical director David James and Invetech's manager of business development, biomedical instruments and devices Peter Riddell.

The seminar will be held at Invetech, 495 Blackburn Road, Mount Waverley Victoria on April 5, 2011 from 4pm to 5:30pm followed by networking drinks until 6.30pm.

Further details are at <https://ausbiotech.org/events/?industry=AusMedtech>.

Online registrations close on April 4, 2011.

The seminar will cost Ausbiotech members \$44; non-members \$66 and Ausbiotech students \$33.

IM MEDICAL

IM Medical says Nigel Blaze, Paul Quarrell and Richard Wadley have been appointed as directors, effective immediately.

IM said that with the appointment of the directors Sergio Del Vecchio had resigned as a director, managing director and company secretary and Peter Jess had resigned as a director.

The company said that as a result, the request from the major shareholder Mark Scott to convene a meeting to remove all directors had been withdrawn (BD: Feb 7, Mar 10, 2010).

IM said Mr Del Vecchio was appointed as an executive director on August 12, 2010 and as managing director on August 30, 2010 and Mr Jess was appointed as a non-executive director on November 11, 2010.

IM said Mr Wadley had also been appointed company secretary.

IM Medical was untraded at 0.1 cents.

FERMISCAN

The ASX has lifted the suspension of trading of Fermiscan's shares, following the lodging of documents.

Fermiscan said its top 20 shareholders included Autus Investments with 110,000,000 shares (18.99%), Griffinc with 50,000,000 shares and Sophie Louise Carr with 42,000,000 shares (7.25%).

Fermiscan has previously said that former major shareholder Leon Carr had 44,819,302 shares which at that time was about 31 percent of the company.

There have been no change of substantial shareholder notices filed by Mr Carr.

Other major shareholders include LBT Corp with 42,000,000 shares (7.25%), Biggish Holdings and Onyx Capital each with 40,000,000 shares (6.91%) and General Inv Serv with 30,000,000 shares (5.18%).

Fermiscan has said it would commercialize the x-ray diffraction of hair test for breast cancer developed by Prof Veronica James, despite having sold the intellectual property to the Sydney Breast Clinic-related SBC Research.

Fermiscan was untraded with a bid at 0.6 cents and an offer at three cents.

MEDIGARD

Medigard says that chief financial officer Patricia Boero has been appointed company secretary.

Medigard was untraded at four cents.