



Biotech Daily

Thursday March 31, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: SUNSHINE HEART UP 20%; BENITEC DOWN 10%**
- * **START-UP'S BIONOMICS OFFER CLOSES UNSOLD, UP 65%**
- * **NEW YORK FOUNDATION FUNDS \$700k PRANA ALZHEIMER'S TRIAL**
- * **ELI LILLY LAUNCHES ACRUX'S AXIRON IN THE US**
- * **KARMELSONIX PLACEMENT RAISES \$1.6m**
- * **NY'S COLUMBIA UNI MEDICAL CENTER ADOPTS IMPEDIMED L-DEX**
- * **WILSON LIGHTENS 1.6m SHARES IN CATHRX**
- * **TRANSOCEAN SELLS 8.6m ANTEO SHARES**
- * **BANK OF EAST ASIA, DAVID LI TAKE 25% OF BODIEM**
- * **ELLEX REPLACES CEO SIMON LUSCOMBE WITH TOM SPURLING**
- * **BURNS GONG FOR CALZADA PARTNER PROF JOHN GREENWOOD**

MARKET REPORT

The Australian stock market climbed 0.33 percent on Thursday March 31, 2011, with the S&P ASX 200 up 15.7 points to 4837.9 points. Eighteen of the Biotech Daily Top 40 stocks were up, 11 fell, six traded unchanged and five were untraded.

Sunshine Heart was best, up 0.7 cents or 20 percent to 4.2 cents with 1.5 million shares traded, followed by Genetic Technologies up 17.3 percent to 8.8 cents with 283,000 shares traded.

Antisense climbed 8.3 percent; Biota and Starpharma were up five percent or more; Patrys and Phosphagenics rose than four percent; QRX and Virax were up more than three percent; Heartware, Impedimed, Living Cell and Prana rose more than two percent; with Acrux, Bionomics, Cochlear, Nanosonics, Prima and Tissue Therapies up one percent or more.

Benitec led the falls, down 0.3 cents or 9.7 percent to 2.8 cents with 756,888 shares traded. Genera lost 8.9 percent; Universal Biosensors fell 7.4 percent; Mesoblast shed 6.1 percent; Clinuvel was down 3.95 percent; Optiscan shed two percent; with Alchemia, Phylogica and Sirtex down more than one percent.

BIONOMICS, START-UP AUSTRALIA VENTURES

Start-up Australia says its invitation to tender for its 27.76 percent stake in Bionomics will close at 5pm (AEST) today and there will be no extension.

Start-up managing director Dr George Jessup said in a media release that his company was "delighted today to see the results of the clinical trials on the new anti-anxiety drug BNC210 [and] these results were above our expectations" (BD: Mar 30, 2010).

"We view this drug as an extremely valuable asset which should result in a high value partnering deal for Bionomics," Dr Jessup said.

"Start-up is aware that Bionomics is nearing some near term value adding milestones later this year which will add substantial value for shareholders," Dr Jessup said.

"We keenly await the clinical results on the cancer drug BNC105 and the outcomes of the various partnering negotiations," Dr Jessup said.

Start-up announced the potential sale of its 27.76 percent stake in Bionomics late last year, and if one buyer acquired the shares the sale would have triggered a take-over of the company (BD: Nov 11, 2010).

Dr Jessup said at that time that despite reaching significant developmental milestones the company's share price did not reflect its value.

"Bionomics has made great progress over the past few years in advancing BNC105 into phase II clinical trials for mesothelioma and renal cancer, its anxiety drug BNC210 into phase I trials and progressing with its multiple sclerosis partnership with Merck Serono," Dr Jessup said last year.

Dr Jessup said last year that the market had not rewarded the company for its progress. Bionomics was believed to be looking for multiple 'white knight' buyers to independently acquire less than 20 percent of the company to avoid going to a takeover.

At the close of business today, Bionomics will return to its earlier position, albeit with a significantly higher share price than the 31.5 cents when Dr Jessup announced the offer. Bionomics was up one cent or 1.96 percent to 52 cents with 4.96 million shares traded.

PRANA BIOTECHNOLOGY

Prana says New York's Alzheimer's Drug Discovery Foundation will provide \$US700,000 for a trial of PBT2 to reduce beta amyloid accumulation in Alzheimer's disease patients. Prana said beta-amyloid was thought to be a cause of brain cell death and dementia in Alzheimer's disease.

The company said the phase II study would enroll 40 patients with mild Alzheimer's disease for 12 months, with positron emission tomography amyloid neuro-imaging and other biomarkers as the primary outcome measures.

The Alzheimer's Drug Discovery Foundation executive director Dr Howard Fillit said PBT2 "stands out as one of the few orally available agents with clinical trial evidence of cognitive benefit for Alzheimer's patients".

"If this phase II trial is successful, it will further demonstrate target engagement by PBT2 in the brain of people with Alzheimer's disease," Dr Fillit said. "It is hoped that these additional data will accelerate the clinical development of PBT2 to patients."

Prana said the phase II study would ask what was happening to the amyloid burden of patients using the same dose that previously resulted in cognitive improvements and was the change sustainable?

The company said the phase II trial was planned to begin by the end of 2011 and would recruit patients with mild Alzheimer's disease who have demonstrated evidence of amyloid burden in the brain by positron emission tomography amyloid imaging.

Prana was up half a cent or two percent to 25 cents with 4.4 million shares traded.

ACRUX

Acrux says partner Eli Lilly and Co has launched its Axiron testosterone topical gel in the \$1 billion US testosterone therapy market.

Acrux said Axiron was the testosterone replacement product approved for administration via the armpit.

The company said it had received \$US140 million in milestone payments from Eli Lilly and would receive royalties on Axiron sales and was eligible for further commercial milestone payments of up to \$US195 million.

Acrux chairman Ross Dobinson said the launch was "the most significant step in Acrux's development, given the growth potential for the product and Eli Lilly's distribution strength".

Acrux was up three cents or one percent to \$3.02 with 1.8 million shares traded.

KARMELSONIX

Karmelsonix says it has raised about \$1.6 million through the placement of about 100 million shares at 1.6 cents each.

Karmelsonix said that pending shareholder approval, each two shares would come with one free attaching option exercisable at 2.4 cents by April 30, 2012.

The company is developing a device to measure respiratory wheeze relating to asthma.

Karmelsonix said it intended to list its shares on the Nasdaq over the counter exchange by July 2011 in order to "increase its profile, produce a higher level of liquidity and ease of transaction facilitation and financial visibility".

Karmelsonix was unchanged at 1.7 cents with 7.7 million shares traded.

IMPEDIMED

Impedimed says New York's Presbyterian Hospital Columbia University Medical Center has adopted in L-Dex to assist the assessment of lymphoedema in breast cancer patients.

Impedimed said the "prestigious and globally recognized institute" identified the importance of the bio-impedance spectroscopy technology used in the L-Dex diagnostic and its role in measuring the extra-cellular fluid differences of the arms of female breast cancer patients to aid in the clinical assessment of lymphoedema.

Impedimed said its L-Dex U400 had a Conformité Européenne (CE) mark and was Australian Therapeutic Goods Administration-listed device for sale in the European and Australian markets as an aid in the diagnosis of early lymphoedema.

The company said that in the US the U400 was cleared as "a bioelectrical impedance analyzer/monitor utilizing impedance ratios that supports the measurement of extra cellular fluid volume differences between the arms to aid in the clinical assessment of secondary unilateral lymphoedema in female breast cancer patients".

Impedimed was up two cents or 2.75 percent to 75 cents.

CATHRX

Wilson HTM Investment Group has reduced its substantial holding in Cathrx from 9,816,838 shares (6.93%) to 8,265,543 shares (5.77%).

Wilson HTM said it sold 1,551,295 shares for \$325,560 or an average price of 21 cents per share.

Cathrx was untraded at 20 cents.

ANTEO DIAGNOSTICS

Transocean Securities has reduced its substantial holding in Anteo from 66,261,369 shares (8.86%) to 57,703,654 shares (7.72%).

Transocean said it sold 8,557,715 shares for \$683,573 or an average price of 8.0 cents per share. Transocean director Lara Iacusso recently resigned as a director of Anteo. Anteo was unchanged at seven cents with 2.2 million shares traded.

BIODIEM

The Bank of East Asia for David Li Kwok Po has increased its substantial shareholding in Biodiem from 24,000,000 shares (23.65%) to 25,228,457 shares (24.86%).

The Bank of East Asia said the 1,228,457 shares were bought for \$204,549 or an average price of 16.65 cents a share.

Biodiem was untraded at 18 cents.

ELLEX MEDICAL LASERS

Ellex says it has appointed Tom Spurling as group chief executive officer replacing Simon Luscombe, effective immediately.

Ellex said that Yukitaka Isoda had been promoted to global operations president to support the sales and distribution platform.

Ellex said Mr Spurling had more than 20 years experience in business development and was previously the managing director of Tenix Lads Corp, with technology originally licensed by Tenix from the Australian Department of Defence.

Mr Spurling holds a Bachelors Degree in economics and is a chartered accountant.

Ellex said Mr Yukitaka was formerly president of the Ellex Japan direct sales subsidiary and would continue to manage the Japan business.

Mr Luscombe joined Ellex in 2005 and was appointed chief executive officer in 2008.

Ellex was up three cents or 17.65 percent to 20 cents.

CALZADA

Calzada says subsidiary Polynovo Biomaterials partner for Novoskin Prof John Greenwood has won the inaugural 2011 Burke Yannas Bioengineering Best Paper Award. Calzada said Prof Greenwood was awarded the prize at the American Burn Association meeting in Chicago for his research paper on the biodegradable temporizing matrix technology presented at the conference.

The company said the award recognizes the significant efforts of Dr John F Burke and Dr Ioannis V Yannas, who were instrumental in the development of the first artificial skin.

Calzada said the paper would be published in the Journal of Burn Care and Research.

The company said the prize was "a further validation of the quality and high standard of the work undertaken by Polynovo and Prof Greenwood over the last 12 months to develop [the biodegradable temporizing matrix] for the treatment of full thickness wounds and burns".

Calzada was up 0.6 cents or 13.3 percent to 5.1 cents with 1.75 million shares traded.