



Biotech Daily

Friday July 29, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALCHEMIA UP 4%; ANTISENSE DOWN 11%**
- * **CYCLOPHARM H1 LOSS DOWN 39% REVENUE UP 10%**
- * **BIOTA'S INAVIR Q4 SALES DOWN, EARNS BIOTA \$3m IN 1st SEASON**
- * **BIOTECH DAILY APPENDIX 4C QUARTERLY REPORTS POLICY**
- * **BLUECHIIP HAS LESS THAN TWO QUARTERS CASH; FUNDS COMING**
- * **KARMELSONIX EXECUTIVE PAUL EISEN DEPARTS BOARD**

MARKET REPORT

The Australian stock market fell 0.88 percent on Friday July 29, 2011 with the S&P ASX 200 down 39.2 points to 4424.6 points.

Nine of the Biotech Daily Top 40 stocks were up, 14 fell, five traded unchanged and 12 were untraded. All three Big Caps fell.

Alchemia was the best, up three cents or 4.4 percent to 71 cents with 2.7 million shares traded; followed by Phosphagenics up four percent to 13 cents with 379,145 shares traded; Genetic Technologies and Sirtex rose more than two percent; Mesoblast and Nanosonics were up more than one percent; with Cellestis, Pharmaxis, Starpharma and Sunshine Heart up by less than one percent.

Antisense led the falls, down 0.1 cents or 11.1 percent to 0.8 cents with 530,000 shares traded, followed by Universal Biosensors down 8.5 percent to \$1.08 with 5,000 shares traded.

Patrys lost 5.6 percent; Bionomics, Impedimed and Phylogica fell more than four percent; Anteo, Benitec and Living Cell were down more than three percent; Biota and Cochlear shed more than two percent; Acrux, CSL, Prima and Resmed were down one percent or more; with QRX and Tissue Therapies down by less than one percent.

CYCLOPHARM

Cyclopharm says it is expecting revenue to be up about 10 percent for the six months to June 30, 2011 reducing losses before interest and taxation to about \$1,400,000.

Cyclopharm managing director James McBrayer told Biotech Daily that the unaudited results indicated that the loss was about \$900,000 or 39.1 percent lower than for the same period in 2010.

Mr McBrayer said Cyclopharm reported its full year results to December 31.

In a media release, Mr McBrayer said revenue for its main imaging product Technegas was up nine percent compared to the six months to June 30, 2010, primarily attributed to global production levels of molybdenum 99 returning to normal.

Mr McBrayer said molybdenum 99 was the isotope precursor to Technetium 99m, the radioactive isotope used to manufacture Technegas.

He said Technegas historically had better second half sales than first half sales, which was expected to continue throughout 2011.

Mr McBrayer said Cyclopharm was no longer a single product company, with subsidiary Cyclopet selling the first dose of F18 fludeoxyglucose (FDG) for use in positron emission tomography (PET), manufactured at its cyclotron at Macquarie University Hospital.

He said Cyclopharm's imaging joint venture with Alfred Health Solutions, Macquarie Medical Imaging began operations and while the new business ventures delivered diversity, both Cyclopet and Macquarie Medical Imaging were "negatively impacting our financial performance on a financial year comparative period basis".

"While we expect that the financial improvement for Cyclopet and [Macquarie Medical Imaging] will not be materially improved in 2011, we believe that their future is still promising," Mr McBrayer said.

He said Cyclopharm held 20 percent of Macquarie Medical Imaging, "one of the most technologically advanced imaging facilities in Australia".

Mr McBrayer said that the slower than expected ramp-up of Macquarie University Hospital has negatively impacted patient volumes, but it was "only a timing issue" and there was confidence that the recent initiatives would drive growth.

He said Federal Government initiatives would assist the molecular imaging business including changes to reimbursement from July 1, 2011, making item codes publicly available for all Medicare-eligible PET facilities in Australia rather than a select few locations; and following an expansion and reclassification of item codes, the 10 procedures previously accessible to all providers under the Medicare Benefit Scheme, have doubled to a total of 20 procedures from July 1, 2011.

"In future we expect to see a gradual redistribution of existing studies from centres that held the limited license to perform these studies," Mr McBrayer said.

"In the medium term we expect to see an expansion in the PET market for both the public and private sectors," he said.

Cyclopharm was untraded at five cents.

BIOTA

Biota says Daiichi Sankyo sales of Inavir for the three months to June 30, 2011 of YEN400 million (\$4.7 million) implied a royalty of \$160,000.

Biota said the total sales to date were YEN7.1 billion, delivering a total royalty for the year to June 30, 2011 of \$2.92 million.

Daiichi Sankyo began sales of Inavir for influenza in October, just ahead of the Northern Hemisphere winter (BD: Oct 19, 2010).

Biota fell two cents or two percent to 96.5 cents.

BIOTECH DAILY APPENDIX 4C REPORTS

Biotech Daily reports all the significant announcements to the ASX.

Companies bleeding money is not news, unless the company involved has less than two quarters of cash.

When companies clearly explain that they have equity draw-down facilities or loans or are about to have a capital raising, Biotech Daily will not report their Appendix 4C statement.

Where there is no explanation or it is not clear and the company has less than six months of cash reserves, it will be reported, as will maiden revenues or profits.

Companies reporting after the close of business will be dealt with in the following edition.

David Langsam
Editor

BLUECHIIP

Bluechiip says its net operating cash burn for the three months to June 30, 2011 was \$931,000 with cash at the end of the quarter of \$1,492,000.

Bluechiip chief executive officer Brett Schwarz told Biotech Daily that the company's cash burn was unusually high due to costs associated with the listing on the ASX and other expenditures.

Mr Schwarz said Bluechiip expected to receive a \$700,000 tax refund within the next month.

Bluechiip was untraded at 15.5 cents.

KARMELSONIX

Karmelsonix says its Asia-Pacific managing director Paul Eisen retires as a director, effective today, July 29, 2011.

Karmelsonix said Mr Eisen would continue in his role as a senior executive, reporting to recently appointed chief executive officer Michael Thomas (BD: Jun 14, 2011).

The company said Mr Eisen would continue with his multiple responsibilities including managing the relationship with the company's strategic partner in Japan.

Karmelsonix said Mr Eisen was appointed the Asia Pacific managing director in August, 2009 and joined the board as a casual director, agreeing to continue in that capacity until a permanent chief executive officer was found.

The company said it expected to announce the appointment of a non-executive director "in the coming weeks".

Karmelsonix was up 0.1 cents or 10 percent to 1.1 cents. With 3.3 million shares traded.