



Biotech Daily

Tuesday August 23, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN:**
 - **ADVANCED SURGICAL UP 19%, LIVING CELL DOWN 9%**
- * **DR GEORGINA SUCH WINS \$20k L'ORÉAL PRIZE FOR DRUG DELIVERY**
- * **ACRUX REVENUE UP 67% TO \$93.5m, PROFIT UP 23% TO \$57m**
- * **CRYOSITE REVENUE UP 8.5%, PROFIT UP 7,149% TO \$334k**
- * **PRICELINE TO SELL PHOSPHAGENICS COSMETICS**
- * **HELICON IMPROVES NASAL AIRFLOW DEVICE**
- * **ROBERT MARTIN, ACCORD TAKE 13% OF ACUVAX**
- * **OBJ SAYS USPTO HAS ALLOWED DRUG DELIVERY PATENT**
- * **CHEMEQ, PALLANE, STIRLING FAIL TO PAY ASX LISTING FEES**

MARKET REPORT

The Australian stock market climbed 2.23 percent on Tuesday August 23, 2011 with the S&P ASX 200 up 91.1 points to 4173.4 points.

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

Advanced Surgical was the best, up one cent or 5.7 percent to 18.5 cents with 8,550 shares traded, followed by Cellmid up five percent to 2.1 cents with 50,000 shares traded.

Acrux, Phosphagenics and Starpharma climbed more than four percent; QRX and Sirtex were up more than three percent; CSL rose 2.55 percent; with Biota, Cochlear, Nanosonics, Phylogica and Resmed up more than one percent.

Living Cell led the falls, down half a cent or 8.6 percent to 5.3 cents with 251,286 shares traded, followed by Viralytics down 6.7 percent to 42 cents with 126,938 shares traded.

Allied Health lost 5.4 percent; Alchemia, Heartware and Pharmaxis fell more than four percent; Optiscan was down three percent; Patrys and Prima shed more than two percent; with Anteo, Bionomics and Circadian down one percent or more.

L'ORÉAL WOMEN IN SCIENCE FELLOWSHIPS

The University of Melbourne's Dr Georgina Such has won a L'Oréal Women in Science Fellowship for her work on drug delivery.

The two other winners of the Fellowships, worth \$20,000 each, are James Cook University's Dr Tracy Ainsworth for her work on the complex life of coral and the University of Queensland and the Commonwealth Scientific and Industrial Research Organisation's Dr Eve McDonald-Madden for her work on saving tigers with mathematics.

The awards are expected to be presented tonight at the Melbourne Exhibition Centre.

A Science in Public media release said the L'Oréal fellowships were awarded "to three female early career scientists to reward excellence in their Australian research and to boost their prospects of sustaining their careers and rising to leadership positions in science" and were part of the national fellowships program and more than 700 women in 35 countries had been awarded for research in their own countries.

The media release said the fellowships complemented L'Oréal's international science prizes, the \$US100,000 L'Oréal-United Nations Education Scientific and Cultural Organization Awards For Women in Science and the \$US40,000 UNESCO-L'Oréal Fellowships.

Working in The University of Melbourne's Department of Chemical and Biomolecular Engineering, Science In Public said Dr Such was developing "smart capsules" to better deliver drugs.

The media release said that drugs for cancer spread throughout the body indiscriminately, causing side-effects such as nausea and hair loss.

Dr Such is working on a miniscule capsule designed like Russian dolls, with the capsule passing through the blood stream untouched to its cancer cell target, shedding a layer, finds the part of the cellular machinery it needs to attack, sheds another layer and releases its cargo of drugs, destroying the cancer cell and only the cancer cell.

The media release said creating such a capsule could take decades, but Dr Such had developed several materials with the potential for development.

Dr Such holds a Bachelor of Science in Physical Chemistry from the University of Melbourne and a Ph D in material science from the University of New South Wales.

Science In Public said Dr Ainsworth's research was "changing our understanding of the life of the tiny coral animals that built Australia's iconic Great Barrier Reef".

The media release said Dr Ainsworth had demonstrated that the interactions between corals, their communities and their environment were more intricate and subtle than imagined with bacteria as well as algae playing a significant role in the life of the coral and in how it responds to changing temperatures.

Science In Public said Dr Ainsworth was applying skills in cell biology from her earlier work in neuroscience laboratories.

Science In Public said Dr McDonald-Madden recognized that despite the urgency of the problem of vanishing diversity, the funds and resources to tackle the problem were limited.

Dr McDonald-Madden had helped develop and implement a policy for monitoring the Sumatran tiger to prevent poaching and she had developed a strategy for managing Tasmanian devils and the infectious facial tumor disease.

ACRUX

Acrux says revenue for the 12 months to June 30, 2011 was up 67 percent to \$93,471,000 with net profit after tax up 23 percent to \$57,148,000.

Acrux said its net profit was “driven by the higher revenue from product agreements, partly offset by higher income tax expense”

The company said that revenue from product agreements was \$89.6 million compared to \$55.0 million in 2010, including milestone revenue of \$US87 million received under the licence agreement with Eli Lilly for the commercialization of Axiron, with \$54.7 million received in the prior financial year on signing the licence agreement with Eli Lilly

Acrux said the US testosterone therapy market was growing strongly, with sales in 2010 up 29 percent on the prior year to \$US1.3 billion.

The company said Axiron was launched into the US market in April 2011 and “uptake by patients has been strong” taking 22.3 percent of new to brand prescriptions and 6.1 percent of total prescriptions.

Acrux chief executive officer Dr Richard Treagus said the company was “pleased to have delivered a profit of \$57 million and a first dividend of 60 cents per share”.

“We are encouraged by the uptake of Axiron so far in the United States and look forward to continuing to deliver shareholder value”, Dr Treagus said.

The company said diluted earnings per share was up 20.2 percent from 28.70 cents for the previous corresponding period to 34.51 cents for the year to June 30, 2011.

Acrux said it had \$33,159,000 in cash at June 30, 2011 a fall of 43.4 percent compared to \$58,609,000 at the end of the previous financial year.

The company said a special dividend of 60 cents a share had been paid.

Acrux was up 17 cents or 4.7 percent to \$3.78 with 1.7 million shares traded.

CRYOSITE

Cryosite says revenue for the 12 months to June 30, 2011 was up 8.5 percent to \$6,659,766 with net profit after tax up 7,148.6 percent to \$334,305.

Cryosite said that revenue came from its cord blood bank as well as clinical trial services.

The company said diluted earnings per share was up 600 percent from 0.1 cents for the previous corresponding period to 0.7 cents for the year to June 30, 2011.

Cryosite said it had \$2,910,943 in cash at June 30, 2011 an increase of 42.3 percent over the previous year.

The company said no dividend would be paid.

Cryosite was untraded at 10 cents.

PHOSPHAGENICS

Phosphagenics says the Priceline pharmacy group will sell its Elixia range of personal care products, including the anti-fat cream Bodyshaper Cellulite Contour Crème.

Phosphagenics said the Elixia products would be available in more than 300 Priceline shops in Australia from September.

The company said the Elixia brand had achieved \$1 million in wholesale sales since its launch earlier this year (BD: Apr 21, 2011).

Phosphagenics chief executive officer Dr Esra Ogru said the inclusion of Priceline was “a coup” and late stage negotiations were underway with other international shops.

“High profile stockists are part of our strategy to become an international skincare brand,” Dr Ogru said.

Phosphagenics was up half a cent or 4.2 percent to 12.5 cents.

HELICON

Helicon says it has completed design enhancements to its Breatheassist nasal dilator and delivery device, which a trial has shown to increase airflow by 37.6 percent.

Helicon said the changes led to a pilot-scale manufacture at polymer design and manufacturing company APS Innovations.

The company said Breatheassist was “a miniature, virtually invisible nasal cannula worn within the nostrils” with applications in sports performance enhancement; drug delivery; reducing snoring; and filtration of pollen or airborne contaminants to reduce the risk associated with allergic rhinitis or other respiratory or influenza infections.

Helicon said a clinical trial at Melbourne’s Royal Victorian Eye and Ear Hospital of 20 healthy subjects showed that Breatheassist resulted in a statistically significant 37.6 percent increase in nasal airflow over baseline, as measured objectively by rhinomanometry.

The company said further clinical tests would be conducted to further validate the improvement in airflow and to correlate this data with an increase in exercise performance.

Helicon said the clinical testing program was scheduled for completion later this year.

Helicon project leader Paz Maryanka said there had been “significant breakthroughs in resolving the technical and production requirements and we are now in the tolerance testing phase before fabricating sufficient quantities to facilitate further clinical testing”.

Helicon chairman Rod Tomlinson said the Royal Victorian Eye and Ear Hospital data “clearly demonstrates superior nasal airflow using Breatheassist”.

“This finding, together with the unique medication delivery and filtration capability, makes this a multi-dimensional device which can be licensed as a package or individually by one or more commercial partners in a range of application,” Mr Tomlinson said.

Helicon was unchanged at 2.5 cents.

ACUVAX

Accord Investments, Robert and Pamela Martin have increased their substantial shareholding in Acuvax from 187,500,000 shares (12.15%) to 306,194,360 shares (7.89%).

The substantial shareholder notice said that RPM Super acquired 118,694,360 shares in a placement for \$59,347 or an average price of 0.05 cents a share.

Acuvax was unchanged at 0.2 cents with 2,600,000 shares traded.

OBJ

OBJ says the US Patent and Trademark Office has allowed a patent application, protecting its powered electromagnetic fields drug delivery technology.

OBJ said the patent was expected to be granted within three months.

The company said that Dermaportation was its first drug delivery technology, later expanded to include the Em-patch magnetic micro-array technology and the Field-in-Motion energy redirection technology.

OBJ was unchanged at 1.7 cents having traded between 1.6 cents and two cents, with 14.1 million shares traded.

CHEMEQ, PALLANE, STIRLING PRODUCTS

The ASX says that three suspended biotechnology companies, Chemeq, Pallane and Stirling Products are among 44 companies that failed to pay annual listing fees.

The ASX said all three companies were already in a suspension.

Stirling was placed in voluntary administration last month (BD: Jul 26, 2011).

Pallane (formerly Dia-B Tech) said it would attempt a revival as Vita Pharmaceuticals earlier this year (BD: Feb 24, 2011) but no further announcements have been made.

Pallane has been in a suspension for more than two years (BD: Jul 8, 2009).

Last year Chemeq attempted a revival claiming a deal with Eli Lilly's animal health group (BD: Aug 19, 20, 2010) but nothing more was heard.

Chemeq tumbled from \$8.00 a share in June 2003 to 8.3 cents by May 2007.

In May 2007 the convertible note holders who had injected about \$60 million into the company demanded a return on their investments and the company was suspended from the ASX following the appointment of administrators (BD: May 30; Jun 1, 2007).