



Biotech Daily

Friday August 26, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN:**
 - **ANTISENSE UP 14%, ALLIED HEALTH DOWN 8%**
- * **FEDERAL 45% R&D TAX CREDIT AWAITING ROYAL ASSENT**
- * **ATCOR REVENUE DOWN 19% TO \$7.5m, LOSS UP 153% TO \$3m**
- * **AVITA APPOINTS DR MICHAEL MENDICINO R&D MANAGER**
- * **ITL \$940k TURNAROUND PROFIT; REVENUE FLAT AT \$41m**
- * **ACTINOGEN EGM TO ACQUIRE CELGENICS**
- * **SIMON WEST REDUCES, DILUTED TO 6% OF PHOSPHAGENICS**

MARKET REPORT

The Australian stock market fell 0.3 percent on Friday August 26, 2011 with the S&P ASX 200 down 12.8 points to 4200.0 points.

Eleven of the Biotech Daily Top 40 stocks were up, 10 fell, nine traded unchanged and 10 were untraded. All three Big Caps were down.

Antisense was the best, up 0.1 cents or 14.3 percent to 0.8 cents with 225,000 shares traded.

Circadian and Optiscan climbed more than nine percent; Universal Biosensors was up 7.8 percent; Phosphagenics and Viralytics were up four percent or more; Clinuvel, Starpharma and Tissue Therapies rose more than two percent; with Acrux and Patrys up more than one percent.

Allied Health led the falls, down 0.4 cents or 7.55 percent to 4.9 cents with 550,000 shares traded.

QRX and Sunshine Heart fell more than four percent; Genetic Technologies, Living Cell and Pharmaxis lost more than three percent; Bionomics, CSL and Sirtex shed more than two percent; with Alchemia and Impedimed down more than one percent.

FEDERAL GOVERNMENT

The Federal Government Bills creating the 45 percent tax credit on research and development expenditure are being prepared for the Governor General's Royal Assent. The Tax Laws Amendment (Research and Development) Bill 2010 was passed early on August 24, while the companion Bill, relating to Australian Taxation Office payment provisions, the Income Tax Rates Amendment (Research and Development) Bill 2010 was returned to the Senate and then the House of Representatives late in the evening of August 24.

An officer of the Australian Parliament told Biotech Daily that the formalizing of the Bills to be sent to the Governor-General should be completed next week.

The tax credit legislation will provide a 45 percent refundable tax credit for companies with total revenue less than \$20 million a year and a 40 percent non-refundable tax credit to all other companies.

ATCOR MEDICAL

Atcor says its net loss after tax for the 12 months to June 30, 2011 was up 153 percent to \$3,081,084 on revenue down 19 percent to \$7,478,198.

Atcor chief executive officer Duncan Ross said sales of the company's Sphygmocor central blood pressure measurement systems declined 15.2 percent to \$7,458,450.

"While sales grew in the first half, during the second half a greater proportion of pharmaceutical customers selected leasing or pay-over-time payment systems in preference to outright purchase," Mr Ross said.

He said some orders were deferred to the financial year to June 30, 2012.

Atcor's other revenue fell from \$53,783 to \$19,748.

The company said diluted loss per share was 2.6 cents compared with 1.2 cents in the previous corresponding period.

Atcor said it had cash and equivalents of \$1,714,291 at June 30 2011 compared to \$1,608,504 at June 30, 2010.

The company said no dividend would be paid.

Atcor fell 0.2 cents or 2.4 percent to eight cents.

AVITA MEDICAL

Avita says Dr Michael Mendicino has been appointed as the manager of the regenerative medicine research and development program manager, based in the California office.

Avita said Dr Mendicino would have primary responsibility for the design and conduct of the company's applied research program in regenerative medicine and tissue engineering and would oversee research and development efforts related to Avita's regenerative medicine products as well as expansion of the company's product lines.

The company said Dr Mendicino held a Ph D in molecular genetics and molecular biology from the University of Toronto.

Avita said Dr Mendicino was previously a senior investigator at the National Center for Regenerative Medicine in Cleveland, Ohio and most recently was lead scientist at the Cleveland-based Athersys, where he was responsible for a research project developing the clinical transplant of adult stem cells.

Avita fell half a cent or 4.2 percent to 11.5 cents.

ITL

ITL (Innovating Technologies for Life) has reported a turnaround net profit after tax for the 12 months to June 30, 2011 of \$940,000 on revenue down \$200,000 to \$41.1 million.

ITL said net debt was reduced from \$6.9 million at June 30, 2010 to \$2.6 million at June 30, 2011.

ITL manufactures and sells procedure packs and medical equipment.

The company said diluted earnings per share was 0.71 cents compared to the previous year's loss of 9.77 cents.

ITL said it had \$2,457,000 in cash and cash equivalents at June 30, 2011, compared to \$3,107,000 at June 30, 2010.

The company said no dividend would be paid.

ITL was untraded at 8.9 cents.

ACTINOGEN

Actinogen says shareholders will vote to acquire Celgenics a company developing bacteria to kill human cancer stem cells and direct stem cell differentiation pathways.

The company said Celgenics intended to research the use of adult stem cells in other areas including Alzheimer's disease, diabetes, multiple sclerosis and regeneration of damaged tissue such as spinal cord or heart.

Actinogen said 31,000,003 of its shares would be issued to Celgenics shareholders.

The meeting will be held at the Goodearth Hotel, 195 Adelaide Terrace, Perth, Western Australia on September 23, 2011 at 10am (AWST).

Actinogen was untraded at 3.1 cents.

PHOSPHAGENICS

Simon and Bohdanna West have reduced their substantial holding in Phosphagenics and been diluted through placements and share issues.

Mr West said in his substantial shareholding that through Jogra Nominees and the West Super Fund he had reduced and been diluted from 50,242,658 shares (8.33%) to 48,067,658 shares (5.83%).

Phosphagenics was up half a cent or four percent to 13 cents.