



Biotech Daily

Tuesday August 30, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: LBT UP 9%, OPTISCAN DOWN 8%**
- * **GI DYNAMICS IPO RAISES \$80m OF HOPED FOR \$95m**
- * **TWO WEEKS TO NOMINATE FOR \$7k AUSBIOTECH GSK STUDENT AWARD**
- * **UNIVERSAL BIOSENSORS, J&J'S LIFESCAN AMEND LICENCE**
- * **ELLEX REVENUE DOWN 9% TO \$43m, PROFIT TURNS TO \$700k LOSS**
- * **OPTISCAN REVENUE DOWN, CUTS COSTS, \$14k MAIDEN PROFIT**
- * **LICENCES, FEES RETURN IMUGENE TO \$416k PROFIT**
- * **IMPEDIMED REVENUE UP 10% TO \$4m, LOSS UP 30% TO \$15m**
- * **PROBIOMICS REVENUE UP 25% TO \$940k, LOSS DOWN 99% TO \$1k**
- * **BIOPROSPECT REVENUE UP 1162% TO \$499k, LOSS DOWN 2.5% TO \$3m**
- * **KARMELSONIX BECOMES ISONEA**

MARKET REPORT

The Australian stock market climbed 0.14 percent on Tuesday August 30, 2011 with the S&P ASX 200 up 5.9 points to 4269.2 points. Thirteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and six were untraded.

LBT was the best, up half a cent or 9.43 percent to 5.8 cents with 175,000 shares traded, followed by Genetic Technologies up 9.38 percent to 17.5 cents with 670,356 shares traded.

Biota climbed 5.6 percent; Starpharma was up 4.55 percent; Cathrx, Phosphagenics and Psivida were up more than three percent; Nanosonics rose 2.65 percent; with Acrux, Circadian, Mesoblast, Resmed and Sirtex up one percent or more.

Optiscan led the falls, down one cent or 8.3 percent to 11 cents with 10,000 shares traded. Pharmaxis and Sunshine Heart lost more than six percent; Clinuvel fell 5.8 percent; Benitec, Cellmid and Viralytics fell more than four percent; Living Cell and Phylogica were down more than three percent; Prima shed 2.6 percent; with Allied Health, Bionomics, Cochlear and CSL down more than one percent.

GI DYNAMICS

GI Dynamics initial public offer to list on the ASX has raised about \$80 million of the hoped for \$95 million and expects to commence trading on September 7, 2011.

GI Dynamics said shares were priced at \$1.10 and the company would list on the ASX with a market capitalization of \$304 million to develop its Endobarrier weight loss treatment (BD: Aug 15, 2011).

GI Dynamics chief executive officer Stuart Randle said the Endobarrier had been “recognized by investors and is reflected in strong support for the offers, despite the difficult market conditions”.

“The successful completion of this raise provides us with the financial backing to bring the Endobarrier to the growing number of people around the world who are in need of a new treatment for type 2 diabetes and obesity,” Mr Randle said.

“We are particularly excited about upcoming milestones, such as the commercialization of the Endobarrier in Australia and our continued commercial expansion in Europe,” Mr Randle said.

AUSBIOTECH, GLAXOSMITHKLINE

Ausbiotech says nominations have opened for the Ausbiotech-Glaxosmithkline Student Excellence Awards and close in two weeks.

An Ausbiotech media release said that student researchers would compete for state and national titles for life science, biotechnology and bio-engineering students.

The deadline for submissions is September 12, 2011.

Ausbiotech chief executive officer Dr Anna Lavelle said the winners would “go on to become the contributors of tomorrow in innovation, both in Australia and around the world”.

“These awards provide an important boost at the point of researchers’ careers when they need it most,” Dr Lavelle said.

Ausbiotech said the awards were open in each state and territory and the winners would be invited to compete for the national title at the Ausbiotech 2011 Conference in Adelaide October 16-19, 2011.

Ausbiotech said the national winner would receive a \$7,000 travel grant to be used to present their research at an international conference and the winner’s principal supervisor would receive a \$2,000 research grant.

Winners of the state awards will receive payment for travel, accommodation and registration to the Ausbiotech conference.

Glaxosmithkline Australia’s medical director Dr Camilla Chong said her company was “committed to fostering scientific skills and nurturing ideas in the quest for new medicines to treat and prevent illness”.

Ausbiotech said that last year’s national winner, University of Adelaide student Natasha Rogers, won the award for her research into the facilitation of organ cell protection, following kidney transplantation surgery.

Ausbiotech said Ms Rogers’ research demonstrated the ability of curcumin, an extract of the spice turmeric, to protect kidney cells from organ damage from blood flow during surgery, called ischaemia-reperfusion injury.

For more information visit <http://www.ausbiotech.org/>.

UNIVERSAL BIOSENSORS

Universal Biosensors says it has amended and restated its 2002 licence, development and research agreements with Johnson & Johnson's Lifescan.

Universal Biosensors said the agreements covered the two companies' rights and obligations in relation to the core technology, ongoing research and development collaboration and intellectual property arising from the collaboration.

The company said that the amendments clarified and more clearly detailed its rights and obligations with respect to licencing its technology outside the field of diabetes.

Universal Biosensors chief executive officer Paul Wright said that Lifescan's "commitment to our collaborative relationship at this time is extremely pleasing".

"These amendments provide important clarity as we look to partner our [prothrombin time international normalized ratio] test and beyond," Mr Wright said.

Universal Biosensors published a proposed form to be filed with the US Securities and Exchange Commission summarizing the material terms of the amended and restated agreements.

The terms include Lifescan granting a worldwide, royalty free, exclusive licence, with a right to sub-licence to certain electrochemical cell patents and associated know-how in all fields outside of Lifescan's field, which was "broadly diabetes", subject to Lifescan having retained a non-exclusive licence to make, sell under or exploit the patents and associated know how in all fields including the Universal Biosensors' fields.

The agreement said that Universal Biosensors owned the improvements to the patents and associated know-how and granted Lifescan and its affiliates a worldwide, royalty-free, irrevocable, non-exclusive licence to those improvements in Lifescan's field.

Universal Biosensors must use commercially reasonable efforts to use and exploit the exclusive patents in its fields or potentially lose exclusivity where it fails to do so.

Lifescan said it granted Universal Biosensors a worldwide, perpetual, royalty-free, paid-up, exclusive licence with the right to sublicense all information, technology and developments developed jointly by Universal and Lifescan prior to January 1, 2008 or developed solely by Universal prior to January 1, 2008 as part of the development and research program undertaken for Lifescan and patent applications and patents claiming joint know-how or Universal know-how developed prior to January 1, 2008, excluding patents for which Lifescan either declined the assignment or assigned back to Universal for its fields.

After the amendment and restatement date, Universal would transfer all remaining joint know-how or Universal know-how to Lifescan.

Lifescan also grants Universal a worldwide, perpetual, royalty-free, paid-up, exclusive licence with the right to sublicense certain patents relating to mercaptoethane sulfonic acid coating technology, in Universal's fields.

If Universal Biosensors grants a sub-licence, other than in connection with the grant of rights in connection with a product and receives a lump sum, actual or minimum royalties payment from any sub-licence, 50 percent of such lump sum or royalties is payable to Lifescan as reimbursement of its patent fees and expense.

Universal Biosensors agrees to pay 50 percent of the historic and ongoing Lifescan patent fees after a first commercial sale of a product in the Universal fields embodying the Lifescan acquired patents which was developed by or on behalf of Universal alone or in collaboration with a third party in reimbursement of Lifescan patent fees and expenses. In no event shall Universal Biosensors be obligated to pay, nor shall Lifescan be entitled to receive from Universal, cumulative amounts of more than 50 percent of the cumulative patent fees and expenses paid by Lifescan in connection with the core electrochemical cell technology patents.

Universal Biosensors was unchanged at 90 cents.

ELLEX MEDICAL LASERS

Ellex says its revenue fell nine percent to \$43,135,000 in the 12 months to June 30, 2011, taking last year's net profit after tax of \$3,760,000 to a loss of \$700,000.

Ellex said its diluted loss per share was 0.8 cents compared to the previous year's earnings of 4.5 cents.

The company said it had \$1,048,000 in cash and equivalents at June 30, 2011 compared to \$3,217,000 for the previous corresponding period.

Ellex said net tangible asset backing per share fell 18.2 percent to 18.9 cents at June 30, 2011.

Ellex fell 1.5 cents or 9.1 percent to 15 cents.

OPTISCAN

Optiscan says it has posted a maiden net profit after tax for the 12 months to June 30, 2011 of \$14,405 on revenue down 55.7 percent to \$551,021.

Optiscan said that for the year to June 30, 2010, revenue was \$1,243,429 with a net loss after tax of \$1,650,799.

The company said sales revenue fell 47 percent to \$509,036 "largely due to the termination of the Hoya (Pentax) supply agreement" but it had received \$1,903,918 in royalties, grants as well as design and development income and total expenses were down 36 percent to \$2,152,934.

The company said diluted earnings per share was 0.01 cents compared to the previous year's loss of 1.34 cents and that it had \$1,078,694 in cash and cash equivalents at June 30, 2011, compared to \$1,555,401 at June 30, 2010.

Optiscan fell one cent or 8.3 percent to 11 cents.

IMUGENE

Imugene has returned to a net profit after tax for the 12 months to June 30, 2011 of \$416,000 on revenue up 4,984 percent to \$2,237,000.

Imugene said it received \$US2.25 million in research fees and sub-licencing costs.

Imugene is developing pig and poultry vaccines.

The company said diluted earnings per share was 0.29 cents compared to the previous year's loss of 1.1 cents.

Imugene said net tangible assets per share increased 62.7 percent to 1.35 cents for the year to June 30, 2011.

Imugene said it had \$1,905,942 in cash and cash equivalents at June 30, 2011, compared to \$793,062 at June 30, 2010.

The company said no dividend would be paid.

Imugene was up 0.1 cents or 3.3 percent to 3.1 cents.

IMPEDIMED

Impedimed says its net loss after tax for the 12 months to June 30, 2011 was up 30 percent to \$14,822,000 on revenue up 10 percent to \$4,172,000.

Impedimed said it is commercializing its lymphoedema diagnostics and said most of the increased revenue came from its medical segment and test and measurement division.

Impedimed said that net tangible assets per share fell 14.3 percent to 12 cents, while diluted loss per share was constant at 10 cents.

Impedimed was unchanged at 52.5 cents.

PROBIOMICS

Probiomics says its net loss after tax for the 12 months to June 30, 2011 was down 99 percent to \$1,054,000 on revenue up 25 percent to \$939,875.

Probiomics said the increase in revenue was due to the improvement in the export sale of raw material during the year, but sales of finished goods were no longer undertaken by the company.

Probiomics said that despite its global sales and distribution agreement with the Denmark-based Chr Hansen and the Danish group "vigorously marketing" Probiomics, it was "yet to close a deal at the time of this report ...[and] it would take some time to close out international sales due to lack of brand recognition".

The company said Chr Hansen developed natural ingredients for food, pharmaceutical, nutritional and agricultural industries.

Probiomics said the diluted loss per share fell from 0.03 cents for the year to June 30, 2010 to 0.00 (zero) cents for the year to June 30, 2011.

The company said it had cash and cash equivalents of \$111,628 at June 30, 2011 down 53.1 percent on the previous year's \$237,997.

Probiomics was untraded at 0.6 cents.

BIOPROSPECT

Bioprospect says its net loss after tax for the 12 months to June 30, 2011 was down 2.5 percent to \$3,220,000 on revenue up 1,161.8 percent to \$499,000.

Bioprospect said sales of its Regen Agripro and GI-Guard products were up from \$1,456 at June 30, 2010 to \$294,042 for the year to June 30, 2011.

The company said it spent \$1,050,573 on legal expenses including finalizing the dispute with Solagran as well as due diligence on Frontier Gasfields.

Bioprospect said the diluted loss per share fell 43.1 percent, to 0.37 cents for the year to June 30, 2011.

Bioprospect said net tangible assets per share fell 55.5 percent from 0.18 cents at June 30, 2010 to 0.08 cents at June 30, 2011.

The company said it had cash and cash equivalents of \$1,718,019 at June 30, 2011 up 132.6 percent on the previous year's \$738,672.

Bioprospect was unchanged at 0.7 cents.

ISONEA, KARMELSONIX

Karmelsonix has changed its name to Isona and its ASX code has been changed from KSX to ISN, from today.

Isona was untraded at 1.8 cents.