



# Biotech Daily

Wednesday August 31, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: IMPEDIMED UP 11%, OPTISCAN, SUNSHINE HEART DOWN 9%**
- \* **MAYNE REVENUE UP 36% TO \$50m, PROFIT DOWN 48% TO \$1.7m**
- \* **PHYLOGICA REVENUE UP 259% TO \$2.5m, LOSS DOWN 21% TO \$3.6m**
- \* **COMPUMEDICS PROFIT DOWN 80% TO \$81k, REVENUE DOWN 5% TO \$31m**
- \* **AVITA REVENUE UP 17% TO \$4.5m, LOSS DOWN 67% TO \$2m**
- \* **RESONANCE REVENUE DOWN 4% TO \$2m, LOSS UP 210% TO \$317k**
- \* **PROBIOTEC REVENUE DOWN 2% TO \$74m, PROFIT TURNS TO \$10m LOSS**
- \* **NUSEP SHARE PURCHASE OFFER RAISES \$2m**
- \* **ISONEA AGREEMENT WITH UNNAMED FORTUNE 500 COMPANY**
- \* **VIRAX HAS LESS THAN ONE QUARTER CASH; \$2.5m PLACEMENT**
- \* **CELLMID \$8m LA JOLLA COVE CONVERTIBLE NOTE EGM**
- \* **RESMED APPOINTS ROBERT DOUGLAS COO; 20m SHARE BUY-BACK**
- \* **ASX FREES ACRUX FROM APPENDIX 4C QUARTERLY REPORTS**
- \* **USCOM LOSES DIRECTOR BRUCE RATHIE**

## MARKET REPORT

The Australian stock market climbed 0.64 percent on Wednesday August 31, 2011 with the S&P ASX 200 up 27.3 points to 4296.5 points. Thirteen Biotech Daily Top 40 stocks were up, seven fell, 11 traded unchanged and nine were untraded. All three Big Caps fell.

Impedimed was best, up six cents or 11.4 percent to 58.5 cents with 44,987 shares traded, followed by Phosphagenics up 10.7 percent to 15.5 cents with 4.85 million shares traded. Genetic Technologies climbed 8.6 percent; Heartware was up 5.9 percent; Biota rose 4.2 percent; Living Cell was up 3.45 percent; Prima, QRX, Starpharma and Tissue Therapies rose more than two percent; with Nanosonics and Sirtex up more than one percent.

Optiscan and Sunshine Heart led the falls, both down 9.1 percent to 11 cents and four cents, respectively. Alchemia and Viralytics lost more than two percent; with Allied Health, Anteo and CSL down more than one percent.

## MAYNE PHARMA

Mayne Pharma says revenue for the 12 months to June 30, 2011 was up 36 percent to \$50,101,000 with net profit after tax down 48 percent to \$1,679,000.

Mayne said that the previous corresponding period only included a contribution from Mayne Pharma International for eight months, compared to 12 months in the current period and this could make straight comparison between periods misleading.

The company said that Doryx sales were down 46 percent for the 12 months, "driven by the continued and unprecedented strength of the Australian dollar and a contraction in pipeline inventories in the US".

Mayne said that Astrix was the number one prescribed low dose aspirin in Australia and were up 27 percent, contributing 16 percent of revenue, with revenue from the contract manufacturing of liquids and creams up 11 percent to \$10.6 million representing 21 percent of sales.

The company said that main component of other income was revenue earned from contract research and development work undertaken on behalf of third parties, including the new dose strength of Doryx for the US market for Warner Chilcott.

Mayne said cash at June 30, 2011 was down 70.5 percent to \$5,807,000 compared to the previous year's \$19,709,000.

The company said that diluted earnings per share fell 56.9 percent to 1.1 cents compared to the previous year's 2.55 cents.

Mayne Pharma paid a fully-franked one cent dividend for the period ending December 31, 2010, but said there would be no further dividend for the full year.

Mayne was up one cent or 2.6 percent to 39 cents.

## PHYLOGICA

Phylogica says its net loss after tax for the 12 months to June 30, 2011 was down 21 percent to \$3,605,000 on revenue up 259 percent to \$2,471,000.

Phylogica said the increase in revenue was from "commercial income" including licencing its Phylomers to Medimmune, Roche and Pfizer.

Phylogica said the diluted loss per share fell from 2.02 cents for the year to June 30, 2010 to 1.24 cents for the year to June 30, 2011.

The company said it had cash and cash equivalents of \$5,199,473 at June 30, 2011 up 305.9 percent on the previous year's \$1,281,044.

Phylogica was untraded at 6.3 cents.

## COMPUMEDICS

Compumedics says its net profit after tax was down 80.4 percent to \$81,000 for the 12 months to June 30, 2011 on revenue down 4.7 percent to \$30,857,000.

Compumedics said that US revenues were \$US9.4 million for the year to June 30, 2011 compared to \$US10.0 million for the prior year, with sleep and neuro-diagnostic sales up 19 percent, largely driven by the release of the Neuvo long-term EEG monitoring (LTEM) system, but there was a decline in sales in the brain research business.

The company said European revenue was EUR7.2 million (\$A9.9 million) compared to EUR4.3 million for the prior year reflecting better trading conditions in Europe and particularly in Germany, where it booked large sleep diagnostic sales.

Compumedics said that net tangible asset backing per share was steady at 5.0 cents, but diluted earnings per share was down 90 percent to 0.001 cents.

Compumedics was untraded at nine cents.

### AVITA MEDICAL

Avita says its net loss after tax for the 12 months to June 30, 2011 was down 67 percent to \$1,951,920 on revenue up 17 percent to \$4,538,167.

Avita said the increase in revenue was primarily from the sale of goods, mainly Recell wound treatment and the Breath-A-Tech respiratory devices.

The company said it had cash and cash equivalents of \$12,669,020 at June 30, 2011 up 227.7 percent on the previous year's \$3,865,802.

Avita was up half a cent or 4.55 percent to 11.5 cents.

### RESONANCE HEALTH

Resonance says its net loss after tax for the 12 months to June 30, 2011 was up 210 percent to \$316,829 on revenue down four percent to \$1,933,311.

Resonance said that the fall in revenue was caused by the strengthening of the Australian dollar with more than 80 percent of revenue received in US dollars, but revenue associated with the routine clinical use of the Ferriscan liver test continued to increase.

The company said that sales volumes increased 14 percent over the prior year, as measured by the number of image analyses performed.

Resonance said that sales growth was strong in the UK which saw a 105 percent growth on the prior year, enhanced by the launch of the Cardiac T2\* test and the US had a 35 percent growth in sales volume over the prior year.

The company said the Cardiac T2\* test was cleared for marketing by the US Food and Drug Administration in August 2011.

Resonance

The company said diluted loss per share was 0.1 cents compared with 0.0 cents in the previous corresponding period.

Resonance said it had cash and equivalents of \$1,503,479 at June 30 2011 compared to \$2,133,884 at June 30, 2010.

Resonance was unchanged at 1.6 cents.

### PROBIOTEC

Probiotec says its revenue fell 1.8 percent to \$73,484,000 in the 12 months to June 30, 2011, taking last year's net profit after tax of \$9,480,873 to a loss of \$10,337,787.

Probiotec said its diluted loss per share was 19.5 cents compared to the previous year's earnings of 18.2 cents.

The company said it had \$938,107 in cash and equivalents at June 30, 2011 compared to \$2,816,415 for the previous corresponding period.

Probiotec said net tangible assets per share fell 19.6 percent to 63.6 cents at June 30, 2011.

Probiotec was unchanged at 35 cents.

### NUSEP

Nusep says it has raised \$1,939,000 through its share purchase offer at 10 cents a share.

Nusep said shareholders contributed \$1,028,000, including \$60,000 from the company's directors, subject to shareholder approval at the general meeting on September 9, 2011.

The company said the remaining \$911,000 was subscribed by the underwriters.

Nusep fell one cent or 8.3 percent to 11 cents.

### ISONEA

Isona (formerly Karmelsonix) says it has a non-binding memorandum of understanding with an unnamed company to commercialize its US asthma monitoring equipment. Isona described the unnamed company as a "Fortune 500 healthcare company". Isona said the understanding "indicates an endorsement of the ... Wheezometer product for the management of asthma by one of the world's leading healthcare companies". The company said the deal initially limited the partner's market development and product distribution options to the US market, but it could be expanded and the understanding defined steps to change the Wheezometer reimbursement from category 3 to category 1, "to enable a rapid ramp up of sales in the US and for establishment of a standard of care for asthmatic patients and medical professionals". The company said the agreement was expected to be completed during September 2011. Isona was up 0.3 cents or 16.7 percent to 2.1 cents with 61 million shares traded.

### VIRAX HOLDINGS

Virax said its net operating cash burn for the three months to June 30, 2011 was \$798,000 with cash at the end of the quarter of \$585,000. Virax chief executive officer Dr Larry ward told Biotech daily the company had previously announced that it was currently closing a placement which he hoped would raise up to \$2.5 million. Virax was untraded at 1.9 cents.

### CELLMID

Cellmid says shareholders will vote to approve a convertible note facility with La Jolla Cove Investors providing up \$US8 million (\$A7.5 million) over three years. The meeting will be held at Level 6, 40 King Street, Sydney on September 30, 2011 at 10am (AEST). Cellmid was unchanged at two cents.

### RESMED

Resmed has appointed Asia-Pacific president Robert Douglas as its chief operating officer, effective from September 1, 2011. Resmed said Mr Douglas would work with chairman and chief executive officer Dr Peter Farrell in a new "office of the chief executive officer," with full operational responsibility for the company and its subsidiaries. A Resmed executive told Biotech Daily that Mr Douglas would be responsible for operational matters, with Dr Farrell responsible for strategy and business development. The company said that Mr Douglas joined Resmed in 2001 and was previously Asia-Pacific president and head of global supply operations and that he held a Masters in Business Administration from Macquarie University, a Bachelor of Electrical Engineering and a Bachelor of Science from the University of New South Wales University. Resmed said Mr Douglas's base salary would be \$US530,000, he would be eligible for a cash bonus, with a target of 80 percent of his base salary and would be eligible for an equity award of 200,000 stock option equivalents, along with executive benefits. Separately Resmed said it had approved a new share repurchase program, for up to 20 million shares of common stock. Resmed fell two cents or 0.7 percent to \$2.84 with 4.6 million shares traded.

### ACRUX

Acrux says the ASX has advised that the company is no longer required to file Appendix 4C quarterly cash flow reports under Listing Rule 4.7B

An ASX spokesman told Biotech Daily that companies that are admitted requiring quarterly reports, must file a minimum of eight quarterly reports, but once a company has posted four consecutive quarters of positive net operating cash flows they could request that they no longer be required and it was unlikely that the ASX would require further reports.

Acrux was up one cent or 0.3 percent to \$3.84.

### USCOM

Uscom says Bruce Rathie has resigned as a director, effective immediately.

Uscom said that Mr Rathie cited increasing commitments for his departure.

Uscom was untraded at 20 cents.