



Biotech Daily

Friday August 5, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: QRX UP 0.7%; ANTISENSE DOWN 30%**
- * **PRIMA WINS \$5.5m GRANT; CITES DENDREON FOR ASX 37% FALL QUERY**
- * **RESMED 2011 RECORD REVENUE PROFIT; 66th CONSECUTIVE QUARTER**
- * **HEARTWARE H1 REVENUE UP 88% TO \$38m, LOSS UP 8%**
- * **BLUECHIIP TELLS ASX: CASH SUFFICIENT, ONE-OFF COSTS**
- * **BENITEC RELOCATES TO SYDNEY; GREG WEST APPOINTED CFO**

MARKET REPORT

The Australian stock market fell 4.0 percent on Friday August 5, 2011 with the S&P ASX 200 down 171.1 points to 4105.4 points. Only one of the Biotech Daily Top 40 stocks closed up, 30 fell, five traded unchanged and three were untraded. All three Big Caps fell.

But what was more interesting than the red ink was that Sunshine Heart and Prana were up all day and closed down, while QRX and Immuron closed up after the market closed.

According to Commsec Webpress, QRX closed up one cent or 0.7 percent at \$1.39 from \$1.34 with two trades totaling 3,635 shares at 4.10pm. CBio also closed up with 8,800 shares traded at 3.57pm at 29 cents, having traded through the day between 28.5 cents and 29 cents. Immuron traded from 6.7 cents to 6.6 cents during the day with a single trade of 5,454 shares at 7.1 cents at 4.10pm. Fermiscan closed up, but had been gradually gathering momentum through the afternoon.

Sunshine Heart traded between 3.6 and 3.8 cents until midday, but a single trade of 20,000 shares at 2.48pm brought it down to 3.5 cents, while Prana traded between 14.5 cents and 16 cents all day, with four trades adding up to 110,000 shares at 2.54pm taking it down to 14.5 cents and a single trade of 1000 shares at 4.10pm allowing the stock to close unchanged at 16 cents.

Antisense led the falls, down 0.3 cents or 30 percent to 0.7 cents, with 32.7 million shares traded, followed by Cathrx down 22.6 percent to 12 cents with 37,517 shares traded and Tissue Therapies down 11 cents or 20 percent to 44 cents with 1.25 million shares traded.

Optiscan lost 17.3 percent; Genetic Technologies fell 16.3 percent; Cellmid and Virax were down more than 13 percent; Pharmaxis fell 12.5 percent; Bionomics and Nanosonics lost more than 11 percent; with Acrux and Psivida down more than 10 percent; with Impedimed and Phylogica down more than nine percent.

PRIMA BIOMED

Prima says the State of Saxony Germany has granted it EUR4.1 million (\$A5.5 million) to fund parts of the CVac for ovarian cancer clinical program in Europe.

Prima said the Staatsministerium für Wissenschaft und Kunst (the State Ministry for Higher Education, Research and the Arts or SMWK) provided the grant through a merit-based research and development program "for specific projects that demonstrate the potential to further economic development in Saxony".

Prima said that with the Fraunhofer Institute of Cell Therapy and Immunology, it submitted a proposal to cover the costs of CVac materials, CVac manufacturing, staffing costs in Saxony, as well as some of the clinical procedure costs of the trial.

Prima said the two groups would be reimbursed for eligible costs as they were incurred during the project, which would decrease Prima's cash requirements for the CVac program.

Prima said the funds were provided by the European Union and the German Free State of Saxony and administered by the Sächsische AufbauBank (the Saxony Development Bank).

Prima chief executive officer Martin Rogers said the provided benefit to Prima's shareholders and would help finance the goal of bringing CVac to market for ovarian cancer patients.

Separately, Prima told the ASX that lower than expected revenues for a similar drug to its CVac could be related to a fall in its share price.

The ASX said the company's share price fell from 28.5 cents on July 19, 2011 to 18 cents, a 36.8 percent fall on August 4, 2011 and noted an increase in trading volume.

Prima said the US-based Dendreon Corp sold the prostate cancer drug Provenge and reported earnings which were below consensus forecasts.

The company said that in the three months to June 30, 2011 Dendreon's revenue was \$US49.6 million compared with consensus forecasts of \$US55 million and revenue growth expectations for the rest of the year were scaled back.

Prima said the news "had a material impact on Dendreon's share price in after-market trading in the US".

Prima chief executive officer Martin Rogers told Biotech Daily that Dendreon's Provenge was in the same class of drugs as his company's CVac, was launched nine months ago and missed its earnings target.

CVac is in phase II/III clinical trials for ovarian cancer.

Prima fell one cent or 5.1 percent to 18.5 cents with 40.5 million shares traded.

RESMED

Resmed says revenue for the 12 months to June 30, 2011 was up 13.8 percent to \$1,243,148,000 with net profit after tax up 19.4 percent to \$US226,986,000.

Resmed said expenditure on research and development was up 22.3 percent to \$US75,202,000.

The company said diluted earnings per share was up 17.1 percent to \$US1.44.

Resmed said that for the three months to June 30, 2011 revenue was \$US341,893,000 up 17.3 percent on the previous corresponding period and profit after tax was up 10.0 percent to \$US58,472,000, the 66th consecutive quarter of record revenue and profit.

A Resmed executive told Biotech Daily the company does not pay dividends.

Resmed fell four cents or 1.5 percent to \$2.68 with 10.9 million shares traded.

HEARTWARE

Heartware said revenue for the six months to June 30, 2011 was up 87.5 percent to \$US38,364,000 with net loss after tax up 34.4 percent to \$US19,527,000.

Heartware said that for the three months to June 30, 2011, revenue was up 109 percent to \$US20.4 million compared to the previous corresponding period in 2010.

Heartware chief financial officer David McIntyre told Biotech Daily that US income was from reimbursement from trials, while the European sales were effectively commercial non-trial sales.

Heartware chief executive officer Doug Godshall said that in the three months to June 30 “we generated global sales for the Heartware ventricular assist system of 226 units, up from 207 units in the first quarter of 2011, and up from 116 units in the second quarter of 2010”.

“In international markets, we are fortunate to have the strong support of our 64 customers in 20 countries, with 152 pumps sold to customers outside of the US,” Mr Godshall said.

Mr Godshall said that international sales accounted for 69 percent or about \$US14.1 million, of the second quarter revenue.

Mr Godshall said that in the US “second quarter revenues more than tripled to \$US6.3 million compared to \$US1.9 million in the second quarter of 2010 [and] we now have 47 of the planned 50 US sites approved for implantation in our 450-patient destination therapy study, and 189 patients have been randomized and enrolled”.

“In the second quarter, enrollment in our destination therapy study climbed nearly 50 percent from first quarter levels, from 43 to 63 patients,” Mr Goshall said.

He said that enrollment in the 94-patient continued access protocol allotment under the bridge-to-transplant clinical study decreased from 29 patients in the three months to March 31, 2011 to 22 patients enrolled in the three months to June 30, 2011.

Heartware said it had cash and cash equivalents of \$US198.8 million at June 30, 2011. Heartware fell five cents or 2.9 percent to \$1.65.

BLUECHIIP

Bluechiip has told the ASX that it has sufficient cash and the company had one-off costs in the three months to June 30, 2011.

In its Appendix 4C quarterly report Bluechiip said 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 (BD: Jul 29, 2011).

Bluechiip told the ASX that expenditures relating to its initial public listing and accumulated commitments were paid in the three months to June 30, 2011.

The company said the listing costs were once-off and would not be repeated.

Bluechiip said it had an annual operating cash burn for the year to June 30, 2011 of \$1,644,000, which equates to an average net cash outflow of \$137,000 per month.

The company said it expected to receive a tax refund of about \$700,000 in September 2011 from the Federal Government's research and development tax concession.

Bluechiip said its cash burn for the year to June 30, 2012 was expected to be between \$100,000 and \$200,000 a month, excluding any unusual or capital commitments or liabilities.

Bluechiip was untraded at 17 cents.

BENITEC

Benitec says it will relocate to Sydney and Greg West will replace chief financial officer and company secretary John Rawling effective from August 24, 2011.

Benitec said Mr Rawling was appointed chief financial officer in April 2007 “served the position with distinction” and the change related to the relocation to Sydney, where chief executive officer Dr Peter French was based.

The company said its Sydney office was at F6A/1-15 Barr Street, Balmain, while the registered office remained Level 16, 356 Collins Street, Melbourne.

Benitec fell 0.2 cents or 7.4 percent to 2.5 cents with 16.4 million shares traded.