



Biotech Daily

Friday September 16, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: SUNSHINE HEART UP 10%; USCOM DOWN 9%**
- * **GI DYNAMICS CLAIMS DATA BACKS ENDOBARRIER FOR DIABETES**
- * **COCHLEAR AGM TO AWARD 1m CEO OPTIONS, UP DIRECTOR PAY 33%**
- * **CSL AGM TO RE-APPROVE EMPLOYEE PLAN, ELECT DIRECTORS**
- * **HELICON APPLIES FOR AUSTRALIAN BREATHASSIST PATENTS**
- * **USCOM PROMOTES JOE TRYGAR TO CEO**

MARKET REPORT

The Australian stock market climbed 1.91 percent on Friday September 16, 2011 with the S&P ASX200 up 77.7 points to 4,149.4 points.

Sixteen of the Biotech Daily Top 40 stocks were up, eight fell, eight traded unchanged and eight were untraded.

Sunshine Heart was the best, up 0.4 cent or 9.5 percent to 4.6 cents with 939,704 shares traded, followed by Prima up 7.7 percent to 21 cents with 22.7 million shares traded.

Starpharma climbed 6.9 percent; Benitec, Biota, Circadian and Psivida rose more than four percent; Nanosonics, Patrys and Sirtex were up more than three percent; Anteo and Bionomics rose more than two percent; with Clinuvel, Cochlear, CSL, Living Cell, Mesoblast and Tissue Therapies up more than one percent.

Uscom led the falls, down 1.5 cents or 8.6 percent to 16 cents with 118,809 shares traded.

Genera lost 7.1 percent; QRX and Viralytics fell more than four percent; Acrux and Phosphagenics were down more than three percent; with Alchemia and Pharmaxis down more than one percent.

GI DYNAMICS

GI Dynamics says new data shows that changes in certain hormones in Endobarrier patients results in rapid improvement in glycaemic control and weight loss.

GI said that data resulting from its 24-week Netherlands trial of 17 obese patients was presented by Maastricht University Medical Centre's Dr Charlotte de Jonge at the European Association for the Study of Diabetes meeting in Lisbon, Portugal.

The company said the trial was led by Maastricht University Medical Centre's Dr Jan Willem Greve and assessed the effects of Endobarrier treatment on gastrointestinal hormones, gut peptides glucagon-like peptide-1 (GLP-1), gastric inhibitory peptide (GIP) and peptide YY (PYY), along with other diabetes measures.

"Our data show that treatment with the Endobarrier affects key hormones involved in insulin sensitivity, glucose metabolism and satiety, similar to the impact of gastric bypass, and these changes allow for rapid and sustained improvement in patients with type 2 diabetes," Dr de Jonge said.

"In addition, we found that patients maintained diabetic improvements at the end of the follow-up period, one week post-removal," Dr de Jong said.

Dr de Jong said the findings were important for understanding how the Endobarrier worked to treat type 2 diabetes."

GI Dynamics said that patients were evaluated for levels of HbA1c, glucose, insulin, GLP-1, GIP and PYY prior to and one week after placement of the Endobarrier, and prior to and one week after removal.

The company said that Endobarrier treatment resulted in "rapid and sustained increase in insulin sensitivity; increased levels of both PYY and GLP-1 one-week post-placement; reduction in mean HbA1c levels of 1.4 percent, from 8.4 percent at baseline to 7.0 percent; normalization of glucagon response; mean excess weight loss of 29.8 percent; elimination or reduction in use of anti-diabetic medications in 16 out of 17 participants; [and] gut hormones contribute to glycemic control, the regulation of food intake and weight loss".

GI Dynamics was unable to provide Biotech Daily with the presented data at the time of publication and did not quantify any of the presentation's results, other than the HbA1c levels, which were outside the normal range for type 2 diabetes.

According to the US National Institutes of Health, an HbA1c of less than 5.7 percent is normal, with 5.7 percent to 6.4 percent described as "pre-diabetes" and 6.5 percent or above as a diagnosis of diabetes.

See: <http://www.nlm.nih.gov/medlineplus/ency/article/003640.htm>.

GI Dynamics said that previous research demonstrated that bariatric surgery in obese patients with type 2 diabetes had immediate effects and improvements on glycaemic control and weight loss and these effects could be due to changes in gut hormones.

The company said its intestine lining Endobarrier mimicked many of the effects of gastric bypass, but without the surgery.

Study co-author and metabolic physician at London's Imperial College London Dr Carel le Roux said that the "rapid increase in certain hormones and immediate changes in glycaemic control seen with the Endobarrier in this study further support the theory that it works by affecting hormone levels".

"This is an important, effective treatment for type 2 diabetes and obesity because it improves diabetes, usually within days and is followed by substantial weight loss," Dr le Roux said.

GI Dynamics was up 3.5 cents or 4.5 percent to 81.5 cents.

COCHLEAR

Cochlear's annual general meeting will vote to issue 117,620 options to chief executive officer Dr Chris Roberts and increase directors remuneration 33 percent to \$2 million. The notice of meeting said Dr Roberts would be entitled to options worth \$986,831, being 75 percent of his fixed remuneration, with the options subject to performance conditions and exercisable at \$68.56, vesting for three years, expiring in five years.

Cochlear has asked shareholders to approve the increase in aggregate directors' remuneration by \$500,000 to \$2,000,000, saying the last increase was in 2007.

The meeting will vote on the re-election of directors Rick Holliday-Smith and Paul Bell.

The meeting will be held at the Menzies Hotel, 14 Carrington Street, Sydney on October 18, 2011 at 10am (AEDT).

Cochlear was up 90 cents or 1.8 percent to \$51.20 with 1.7 million shares traded.

CSL

CSL's annual general meeting will vote to re-approve the global employee share plan and elect three directors.

CSL shareholders will be asked to elect directors Christine O'Reilly and Bruce Brook and re-elect director Prof John Shine, along with adopting the remuneration report.

The CSL meeting will be held at the Function Centre, National Tennis Centre, Melbourne Park, Batman Avenue, Melbourne on October 19, 2011 at 10am (AEDT).

CSL was up 49 cents or 1.8 percent to \$27.05 with 4.3 million shares traded.

HELICON

Helicon says the Australian Patents Office has accepted two patent applications relating to the Breatheassist product.

Helicon said the acceptance of the patents entitled 'A Nasal Cavity Dilator Device' and 'Improved Nasal Cavity Device' followed the prior granting of patents in Japan, China and New Zealand, corresponding patents in the US with patents pending in Europe.

Helicon said it was manufacturing a pilot scale Breatheassist product for clinical studies before commercialization, initially in the sports performance sector.

Helicon fell one cent or 4.2 percent to 2.3 cents with 6.3 million shares traded

USCOM

Uscom has promoted its head of sales Joe Trygar to chief executive officer.

Uscom said Mr Trygar was based in North America and joined the company as the head of sales in July 2011.

The company said Mr Trygar had more than 30 years experience in the medical instrumentation and automation markets including research, engineering, strategic development and distribution.

Uscom said that company founder Rob Phillips would continue as chief science officer.

Uscom fell 1.5 cents or 8.6 percent to 16 cents.