



# Biotech Daily

Wednesday September 21, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN:**
  - **SUNSHINE HEART UP 9%; ANTISENSE DOWN 10%**
- \* **SIGMA ALDRICH LICENCES HEALTHLINX IGY TECHNOLOGY**
- \* **GI DYNAMICS LAUNCHES ENDOBARRIER IN AUSTRIA**
- \* **CLOVER CORP REVENUE UP 0.5%, TURNAROUND \$4.6m PROFIT**
- \* **ATCOR AGM TO AWARD 2.5m CEO OPTIONS, ELECT DIRECTORS**
- \* **MANNING & NAPIER BELOW 5% OF COCHLEAR, OR NOT**
- \* **ANDREW GOODALL TAKES 19% OF NUSEP**
- \* **USCOM CEO JOE TRYGAR STARTS ON \$156k**

## MARKET REPORT

The Australian stock market climbed 0.78 percent on Wednesday September 21, 2011 with the S&P ASX200 up 31.6 points to 4,071.8 points.

Eight of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and eight were untraded. All three Big Caps were up.

Sunshine Heart was best, up 0.4 cents or 9.3 percent to 4.7 cents with 154,900 shares traded.

Bionomics and Phosphagenics climbed more than six percent; CSL and Universal Biosensors were up more than four percent; Acrux, Living Cell and Mesoblast were up more than three percent; Tissue Therapies rose 2.2 percent; with Resmed up 1.1 percent; and Cochlear up 0.9 percent.

Antisense led the falls, down 0.1 cents or 10 percent to 0.9 cents with 8.3 million shares traded, followed by Pharmaxis down 6.3 percent to 74 cents with 606,756 shares traded.

Alchemia, Cellmid and Phylogica fell five percent or more; Patrys lost 4.8 percent; Cathrx and Heartware were down more than three percent; Anteo, Biota, Clinuvel, Genetic Technologies and Viralytics shed more than two percent; with Sirtex down one percent.

## HEALTHLINX

Healthlinx says it has an agreement with Sigma Aldrich for a non-exclusive licence to its IgY (immunoglobulin yolk) immuno-depletion technology.

Healthlinx said the agreement included upfront fees and royalties and covered Europe and Australia, with an option to expand the licence into the US pending the granting of a US patent.

The company said the terms of the licence were confidential.

Healthlinx said that Sigma Aldrich's chemical and biochemical products and kits were used in scientific research including genomic and proteomic research, biotechnology, pharmaceutical development, the diagnosis of disease and as components in pharmaceutical, diagnostic and other high technology manufacturing.

Healthlinx managing director Nick Gatsios told Biotech Daily that "IgY immuno-depletion technology is an integral component in proteomic research to identify biomarkers in blood and other biological fluids".

Mr Gatsios said the IgY technology was part of the larger proteomics technology market.

Mr Gatsios quoted a 2009 BCC research report estimating the proteomics market at more than \$US1.5 billion and growing at more than 15 percent a year to about \$US2.9 billion by 2014.

Healthlinx said it used biomarkers to develop diagnostics that detect and monitor diseases including the diagnostics for ovarian cancer and prostate cancer.

Healthlinx fell 0.3 cents or 13 percent to two cents with 5.2 million shares traded.

## GI DYNAMICS

GI Dynamics says it has launched its Endobarrier gastrointestinal liner in Austria and begun implanting the obesity and type 2 diabetes treatment.

GI said the Barmherzige Brüder Hospital and the Hallein Clinic were the first 'centers of excellence' in Austria and they were experienced in the field of metabolic disorders.

The company said the Endobarriers used in procedures were either reimbursed by the hospital or paid by the patients.

GI said Austria had a significant type 2 diabetic population, estimated to be more than 600,000 adult patients and an obese population with a body-mass index greater than 30kg2/m of nearly 700,000 adult patients.

The head of general surgery at Barmherzige Brüder Hospital Prof Helmut Weiss said that for many patients existing pharmaceutical and lifestyle treatments were not effective in managing blood sugar levels or producing the weight loss they need.

"The Endobarrier has the potential to assist many Austrians living with type 2 diabetes and obesity, control their diabetes and lose weight," Prof Weiss said.

GI said a hospital was certified as an Endobarrier center of excellence following a training and proctorship program conducted by GI Dynamics in collaboration with experts in type 2 diabetes and obesity management.

The company said it had an agreement with D/A/CH Medical Group for the distribution of the Endobarrier in Austria.

The company said additional centers were planned for Europe, Australia the Pacific Rim and South America.

GI said the Endobarrier was commercially available in Chile, Germany, the UK and the Netherlands, with approval in Australia and approval for a pilot trial in the US.

GI fell one cent or 1.2 percent to 80 cents.

## CLOVER CORP

Clover Corp has declared a net profit after tax for the 12 months to July 31, 2011 of \$4,603,000 on revenue up 0.5 percent to \$36,040,000.

Clover said sales of goods increased 2.0 percent to \$35.6 million and a fully-franked dividend of 1.5 cents a share would be paid to shareholders on November 17, for holders on the record date of November 3, 2011.

The company said sales increased in China, South Asia, Australia and New Zealand, including sales of infant formula and children's food as well as encapsulated powdered products, with expenditure on innovation and research, up 54.5 percent to \$1.7 million. Clover said it had won a \$1.2 million, three-year Australian Growth Partnership research agreement with the Commonwealth Scientific and Industrial Research Organisation to develop products for the significant developing markets of improved nutritional formulations for infants and the delivery of sensitive bioactive compounds.

The company said diluted earnings per share was 2.7 cents compared to the previous year's loss of 0.59 cents a share and net tangible assets per share increased 10.1 percent to 15.75 for the year to July 31, 2011.

The company said it had \$7,425,000 in cash at July 31, 2011, compared to \$12,153,000 at June 30, 2010.

Clover said it had changed its reporting year from June 30 to July 31 "to better align the financial year with the trading patterns of major customers".

Clover was up 1.5 cents or 5.45 percent to 29 cents.

## ATCOR MEDICAL

Atcor's annual general meeting will vote to issue 2,500,000 options to chief executive officer Duncan Ross, renew takeover provisions and elect directors.

Atcor said Mr Ross's options would be issued on October 21, 2011 with an exercise price 20 percent above the five-day volume weighted average price to that date.

The company said the options would vest over three years and expire after five years.

The meeting will vote on the re-election of directors Donal O'Dwyer and Peter Jenkins.

The meeting will be held at Dibbs Barker, Level 8, 123 Pitt Street, Sydney on October 21, 2011 at 11am (AEDT).

Atcor was untraded at 7.7 cents.

## COCHLEAR

Manning & Napier Advisors say it has ceased its substantial shareholders in Cochlear with the sale of 148,608 or 157,078 shares.

Manning & Napier's two initial substantial shareholder notices in August said the Fairport, New York-based company acquired 3,116,211 shares between April 16 and August 16, 2011 for an average price of \$71.85 a share (BD: Aug 19, 2011).

Manning & Napier said that although it had acquired 3,116,211 Cochlear shares (5.49%) its voting entitlement was 2,841,292 shares (5.00%), but provided no explanation for the discrepancy.

The company issued a second substantial shareholder notice on August 26 saying it held 3,173,864 shares with 2,898,945 votes with voting power of 5.11 percent.

Today the company said it held 3,035,256 shares (5.33%) with 2,741,867 votes (4.82%).

Last month, Cochlear chief financial officer Neville Mitchell told Biotech Daily that the company was not aware of any reason for the discrepancies.

Cochlear was up 48 cents or 0.9 percent to \$52.50.

### NUSEP

Andrew Goodall has increased his substantial shareholding in Nusep from 12,678,235 shares (17.35%) to 17,000,000 shares (18.86%).

The substantial shareholder said Mr Goodall of Murwillumbah New South Wales acquired 3,880,000 shares on September 20, 2011 as an underwriter in the recent share offer at 10 cents a share and 441,765 shares on-market.

Nusep was untraded at 11 cents.

### USCOM

Uscom says its newly promoted chief executive officer Joe Trygar will have a base salary of \$US160,000 (\$A155,784) a year.

Uscom said a variable component of \$US90,000 a year would be paid on achieving specified sales targets, with medical benefits up to \$30,000, 15 days paid leave and eight days paid sick leave a year

The company said Mr Trygar would be granted 500,000 options vesting over four years with exercise prices ranging from 75 cents to \$3.00, subject to meeting agreed targets.

Uscom was unchanged at 16 cents.