



Biotech Daily

Thursday February 23, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: CLINUVEL UP 14%, BIONICHE DOWN 8%**
- * **US PATENT FOR PHYLOGICA'S 'NEUROPROTECTIVE PEPTIDES'**
- * **ELLEX H1 PROFIT UP 26% TO \$654k ON REVENUE UP 18% TO \$26m**
- * **MEDICAL DEVELOPMENTS H1 PROFIT UP 44% TO \$1m, REVENUE UP 3%**
- * **LIFESCAN VERIO IQ RECALL 'NO IMPACT' ON UNIVERSAL BIOSENSORS**
- * **USCOM H1 REVENUE UP 8% TO \$1m, LOSS UP 4.6% TO \$503k**
- * **GI DYNAMICS RELEASES 48.6m ESCROW SHARES**
- * **NEXTGEN CEASES SUBSTANTIAL IN PHOSPHAGENICS**
- * **LA JOLLA COVE REDUCES TO 8% OF BONE**
- * **SOLAGRAN REQUESTS JOINT VENTURE TRADING HALT**

MARKET REPORT

The Australian stock market slipped 0.16 percent on Thursday February 23, 2012 with the S&P ASX 200 down 6.9 points to 4286.2 points. Eleven of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and five were untraded.

Clinuvel was the best, up 22 cents or 13.75 percent to \$1.82 with 8,816 shares traded, followed by Phylogica up 8.3 percent to 3.9 cents with 207,500 shares traded.

Prima climbed seven percent; Uscom was up 5.9 percent; Acrux, Anteo, Living Cell, Nanosonics and Optiscan were up more than three percent; CSL and QRX rose more than two percent; Tissue Therapies was up 1.4 percent; with Cochlear up 0.3 percent.

Bioniche led the falls, down four cents or eight percent to 46 cents, with 25,000 shares traded.

Cellmid and Genetic Technologies lost more than seven percent; Sunshine Heart fell 6.5 percent; Avita and Phosphagenics fell five percent or more; Viralytics lost 4.1 percent; Bionomics, Biota and Impedimed and Neuren were down more than one percent; with Circadian, Mesoblast, Pharmaxis and Resmed down by less than one percent.

PHYLOGICA

Phylogica has been granted a US patent entitled 'Neuroprotective peptide inhibitors of AP-1 signaling and uses thereof' covering a Phylomer peptide PYC38 and its derivatives.

Phylogica said the peptides showed "potent rescue from death of brain cells in models of neuronal death associated with conditions such as stroke and traumatic brain injury".

Phylogica chief executive officer Dr Paul Watt said the patent provided "further validation of the biological activity of Phylomers against intracellular targets".

"This is important because Phylogica is rapidly establishing itself as a leader in the new frontier of identifying peptides, which not only get into cells, but also exert therapeutically relevant effects against targets within cells," Dr Watt said.

"About half of the discovery alliances that we are currently negotiating with the pharmaceutical and biotechnology industry are around the intracellular space," Dr Watt said.

"The vast majority of therapeutic targets are found within cells, yet most of these targets are not tractable with conventional drugs such as small molecules," Dr Watt said.

"If drugs of the biologics class can access targets inside cells, this provides a huge opportunity to expand the target landscape," Dr Watt said.

"Currently, peptides such as Phylomers are leading the way in this new frontier, which has not been addressed by other classes of biologics such as antibodies," Dr Watt said.

"At the end of 2011 we signed a substantial alliance with pharmaceutical giant Janssen, part of Johnson and Johnson, around accessing the exciting intracellular space with Phylomers," Dr Watt said.

Phylogica was up 0.3 cents or 8.3 percent to 3.9 cents.

ELLEX MEDICAL LASERS

Ellex says its net profit after tax for the six months to December 31, 2011 was up 26 percent to \$654,000, on revenue up 18 percent to \$26,370,000.

Ellex said that diluted earnings per share was 0.77 cents up 24.2 percent compared to the previous period's 0.62 cents.

The company said it had cash and cash equivalents of \$1,067,000 at December 31, 2011 compared to \$3,399,000 at December 31, 2010.

The company's net tangible assets per share fell 13.0 percent to 20 cents.

Ellex fell half a cent or 2.6 percent to 18.5 cents.

USCOM

Uscom says that revenue for the six months to December 31, 2011, was up 8.03 percent to \$1,137,019 with the net loss after tax up 4.6 percent to \$503,231.

Uscom said the funds were primarily from sales of its ultra sonic cardiac output monitors.

The company said that diluted loss per share fell 12 percent to 2.2 cents.

Uscom said its net tangible asset per shares was down 51.7 percent from 6.0 cents at December 31, 2010 to 2.9 cents at December 31, 2011.

The company said that it had cash and cash equivalents of \$1,206,253 at December 31, 2011 compared to \$2,610,402 at December 31, 2010.

Uscom was up half a cent or 5.9 percent to nine cents.

MEDICAL DEVELOPMENTS

Medical Developments says its net profit after tax for the six months to December 31, 2011 was up 43.8 percent to \$1,156,000, on revenue up 3.1 percent to \$5,270,000.

Medical Developments said it would pay a fully franked dividend of three cents a share for the half year to December 31, 2011, for shareholders at the record date of March 5, 2011, to be paid on April 11, 2012.

The company said it paid a fully franked dividend of three cents for the full-year to June 30, 2011.

Medical Developments said that diluted earnings per share was 2.2 cents up 37.5 percent compared to the previous period's 1.6 cents.

The company said it had cash and cash equivalents of \$3,976,000 at December 31, 2011 compared to \$2,949,000 at December 31, 2010.

The company's net tangible assets per share fell 4.4 percent to 8.7 cents.

Medical Developments was up three cents or 5.4 percent to 59 cents.

UNIVERSAL BIOSENSORS

Universal Biosensors says that a recall of Johnson & Johnson Lifescan's One Touch Verio IQ blood glucose meters will have no impact on its sale of test strips.

Universal Biosensors chief executive officer Paul Wright told Biotech Daily that Lifescan was replacing the meters.

Mr Wright said the meter, which retailed for about \$US69, was accurate, but had a software fault causing the meter to switch itself off.

"We don't see this as impacting us. We don't expect it to have any impact on sales of test strips to Lifescan," Mr Wright said.

Mr Wright said that although Universal Biosensors designed the original One Touch Verio meter, the Verio IQ was a new model upgraded by Lifescan and released to the US market earlier this year (BD: Jan 22, 2012).

A notice on the Lifescan Canada website said that the Onetouch Verio IQ meter shut itself off when users attempted to access the 'results log' to view stored results and when turned back on, the meter entered the 'set up' mode requiring the user to confirm the date and time settings before being able to test again.

Lifescan said the issue had no effect on accuracy or functions and no data was lost, but if all settings were not confirmed, testing was not possible and treatment might be delayed or a treatment decision might be made in the absence of a glucose result.

Lifescan said all Verio IQ users were being offered a replacement product at no charge, but could continue to use the current meter until a replacement meter was available.

Universal Biosensors was untraded at 73 cents.

GI DYNAMICS

GI Dynamics says that 9,721,997 shares of common stock equivalent to 48,609,985

CHESS depositary instruments (CDIs) and 649,570 options over shares of common stock equivalent to 3,247,850 CDIs will be released from voluntary escrow on March 5, 2012.

GI Dynamics said the shares were in escrow in relation to last year's initial public offer.

In its last Appendix 3B the company said it had 119,364,150 CDIs quoted on the ASX but would have 280,689,055 CDIs if all shares of common stock were held as CDIs.

GI Dynamics spokesman David Allen told Biotech Daily the escrow shares were part of the total of 280,689,055 CDIs.

GI Dynamics fell 10 cents or 9.2 percent to 99 cents.

PHOSPHAGENICS

Nextgen Pet Ltd has ceased its substantial holding in Phosphagenics “in relation to an equitable mortgage of shares ... granted by Jogra Nominees”.

Through its legal representative, Melbourne’s Clayton Utz, the Mauritius-based Nextgen said the change related to 33,606,944 shares belonging to Jogra Nominees, a company associated with Phosphagenics co-founder, inventor and former director Dr Simon West. Phosphagenics fell one cent or five percent to 19 cents with 3.5 million shares traded.

BONE MEDICAL

La Jolla Cove Investors has reduced its substantial holding in Bone from 15,050,000 shares (9.1%) to 13,300,000 shares (8%).

La Jolla Cove said it sold 1,500,000 shares on February 15, 2012 at 1.96 cents each for a total of \$29,400.

Bone fell 0.2 cents or 13.3 percent to 1.3 cents with 2.7 million shares traded.

SOLAGRAN

Solagran has requested a trading halt “pending the release of an announcement detailing a joint venture”.

Trading will resume on February 27, 2012 or on an earlier announcement.

Solagran was untraded at 3.9 cents.