Biotech Daily

Thursday May 17, 2012

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH UP: UNIVERSAL BIO UP 7%, PRANA DOWN 6%**

*** RESEARCH SHOWS USCOM MONITOR 'SUPERIOR TO CATHETERS'**

*** NANOSONICS SHARE PLAN TO RAISE UP TO $5m**

*** IDT DEFERRED PROJECTS, REVENUE; KIDDER WILLIAMS REVIEW**

*** NZ APPROVES HIGHER DOSE OF LIVING CELL DIABETES PIG CELLS**

*** CELL CARE TAKES 22% OF CRYOSITE**

MARKET REPORT

The Australian stock market fell 0.19 percent on Thursday May 17, 2012 with the S&P ASX 200 down 8.1 points to 4,157.4 points.

Twelve of the Biotech Daily Top 40 stocks were up, nine fell, 12 traded unchanged and seven were untraded. All three Big Caps fell.

Universal Biosensors was the best, up four cents or 7.1 percent to 60 cents with 6,200 shares traded.

Antisense and Avita climbed more than six percent; Genetic Technologies and Phylogica were up more than four percent; Clinuvel, Living Cell and Viralytics were up more than three percent; Alchemia and Pharmaxis rose more than two percent; with Heartware and QRX up by less than one percent.

Yesterday's best, Prana, led the falls, down one cent or 5.9 percent to 16 cents with 257,346 shares traded.

Acrux, Neuren and Tissue Therapies lost four percent or more; Starpharma shed two percent; Bionomics, Cochlear, Resmed and Sirtex were down more than one percent; with CSL, Mesoblast and Nanosonics down by less than one percent.

USCOM

Uscom says that peer-reviewed research confirms its Uscom 1A cardiac monitor is more accurate than current technologies.

Uscom said that the study by Melbourne's Howard Florey Institute and the University of Queensland in Brisbane published in the Journal of Critical Care Research and Practice compared the Uscom 1A, using an ultrasound probe placed on the chest, with the gold standard pulmonary artery catheter (PAC) which was inserted into a patient's neck or groin and positioned in cardiac arteries.

Uscom said the study surgically implanted measurement devices onto the great cardiac arteries of sheep and then monitored their cardiac output using Uscom 1A and PAC at rest and as medications were introduced.

The company said the research found that Uscom had a one percent error compared with the surgical device, while the PAC error was 17 percent and Uscom was six to eight times more accurate than the PAC for detecting changes associated with the common drugs used in cardiovascular management.

Uscom said the study, entitled 'Pulmonary artery catheter (PAC) accuracy and efficacy compared with flow probe and transcutaneous Doppler (Uscom): An ovine validation' concluded that its monitor was a noninvasive and accurate replacement for pulmonary artery catheters.

The full article is available at: http://www.hindawi.com/journals/ccrp/2012/621496/.

The University of Queensland's head of medicine Prof Malcolm West, a co-author of the paper with Uscom executive chairman Robert Phillips, said the Uscom device was "a simple method of accurately and non-invasively measuring central circulation, a goal of cardiology for many years".

"To be noninvasive is a great advantage over the PAC, to be noninvasive and much more accurate means the device has the potential to change the way we approach management of many cardiovascular diseases including sepsis, heart failure and hypertension," Prof West said.

Uscom said the research found that Uscom's accuracy was unequalled by other clinical methods which explained results found at the Cedars Sinai Intensive Care Department in Los Angeles, published in 2008 in the American Journal of Surgery which found that "Uscom could reliably replace PAC in most clinical situations".

The company said that the Swan Ganz pulmonary artery catheter had been the standard of human cardiac output measurement since its introduction by Dr Swan and Dr Ganz in the Cedars Sinai Intensive Care Department in 1970.

Uscom said the pulmonary artery catheter was associated with a significant risk of death and infection and was confined to critical care use in adults, while its monitor was non-invasive and could be used in clinical and research applications in adults, children and neonates.

Mr Phillips said the study added to the independent evidence "which demonstrates that our Uscom device offers critical care clinicians a new gold standard for cardiovascular monitoring which can replace costly and dangerous catheter-based technologies".

Uscom said its system was an Australian-developed, patent protected technology that used external ultrasound similar to that used in pregnancy.

The company said that the ultrasound signal bounced off the red blood cells as they flowed across the cardiac valves producing a unique echo from which the device could then count the cells with high accuracy.

Uscom said its monitor had applications from paediatrics to critical care, anaesthesia and emergency medicine, with new markets in sepsis, heart failure and hypertension.

Uscom was untraded at nine cents.

NANOSONICS

Nanosonics is offering a non-renounceable share plan to raise up to $5 million, following its $15.5 million placement on May 4, 2012.

Nanosonics said the share plan at 53 cents a share at the same price as the placement was not underwritten.

Nanosonics said shareholders eligible at the record date of May 3 would be able to apply for parcels of shares from $2,000 to $15,000 and the share plan would open on May 16 and close on June 25, 2012.

The company said that if applications exceeded $5 million the company would scale-back the issue on a first-come, first-served basis.

Nanosonics said the funds were for working capital, investment in sales resources, scaling-up manufacturing and development of new products.

Nanosonics fell half a cent or one percent to 50 cents.

IDT

IDT says that in the face of deferred projects and revenue it will increase product development and has appointed investment bank Kidder Williams as an adviser.

Kidder Williams managing director David Williams is a director of IDT as well as chairman of Medical Developments International.

IDT said that Kidder Williams would assist with business development and corporate opportunities to improve the company through acquisitions, mergers and joint ventures.

The company said it would seek additional drug product development and intellectual property ownership to provide a solid base for earnings beyond its traditional contract outsourcing business model, as well as improve facility use.

IDT said that delays in client projects had led to about $3.4 million of project revenue being deferred from 2011-'12 to 2012-'13.

IDT said that causes of the deferrals included rationalization of the pharmaceutical industry leading to a number of clients "undergoing a sale process" as well as difficult financial markets restricting funds for projects and the strong Australian dollar reducing the profitability of contracts and the competitive position against US and Asian manufacturers.

The company said it continued to invest in facility, technology and system upgrades to provide a world-class service and meet global regulatory requirements.

IDT said the replacement value of its land and buildings, facilities, documentation and quality systems was about $70 million, equating to $1.65 per share.

The company said that in 2010, it began the development, manufacture and commercialization of an unnamed, niche, generic, anti-cancer, oral pharmaceutical in partnership with an unnamed Indian pharmaceutical company and it had completed development and batch manufacturing to submit registration documents to the US Food and Drug Administration, with US sales expected to begin in 2014.

The company said that 2008 US sales of the product were more than $US300 million.

IDT said that new FDA antibiotic cross-contamination guidelines provided further business opportunities through further reduction in antibiotic manufacturing capacity.

The company said that facility P, transferred to IDT by Pfizer for no up-front cost, was designed to manufacture antibiotics and could meet a significant need due to capacity constraints in this contract development and manufacturing market.

IDT said this was evident from the increase in enquiries from overseas pharmaceutical companies with projects that would use facility P active pharmaceutical ingredient and sterile vial manufacturing plants.

IDT was up 7.5 cents or 31.9 percent to 31 cents with 20.8 million shares traded.

LIVING CELL TECHNOLOGIES

Living Cell says the New Zealand Minister of Health has approved a higher dose of its Diabecell product for type 1 diabetes in its phase II trial.

Living Cell said the phase II clinical trial of the Diabecell encapsulated porcine islets of Langerhans for unstable type 1 diabetes had been underway in New Zealand for two years and establishing optimal dose was a central aspect of the trial.

The company said that the New Zealand Government permission to proceed with the highest dose in two further patients would allow firm conclusions to be drawn about the optimum single dose.

Living Cell said there were four groups of four patients with each group receiving an ascending dose from 5,000 islet equivalents per kilogram of body weight (IEQ/kg) to 10,000 IEQ/kg, 15,000IEQ/kg and 20,000 IEQ/kg.

The company said that the New Zealand data combined with the results from a similar trial being conducted in Argentina, which was using two sequential doses, would ensure the optimum design of a pivotal trial, expected to begin by April 2013.

Living Cell medical director Prof Bob Elliott said that the approval "allows us to build a more complete picture of the best procedure".

"Our preliminary report presented in Prague last year, which suggested more benefit from some doses than others, can be crystallized," Prof Elliott said

Living Cell chief executive officer Dr Andrea Grant said the extension "brings the number of patients in each of the trial groups to four, facilitating the selection of the optimal dose".

"The data collection and follow up period for patients who have already received transplants in New Zealand ends in June 2012," Dr Grant said.

Dr Grant said the company would review and analyze the data and hoped to provide a detailed update by October 2012.

Living Cell was up 0.2 cents or 3.6 percent to 5.7 cents.

CRYOSITE

Cell Care Australia and related parties have increased their substantial shareholding in Cryosite from 9,297,381 shares (19.93%) to 10,240,498 shares (21.97%).

Last year Cell Care became substantial with the acquisition of the 9,297,381 shares or 19.93 percent at 10 cents a share (BD: Jun 15, 2011).

The related parties include Cell Care directors James Stuart Craig and Alastair Lucas and their related companies Bellwether Pty Ltd and Matsaroll Pty Ltd.

Cryosite and Cell Care are both involved at cord blood storage.

Cryosite was unchanged at 15.5 cents.