



Biotech Daily

Thursday May 3, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PATRYS UP 7%, IMPEDIMED DOWN 14%**
- * **VENTUS \$40m IPO OPENS**
- * **IMPEDIMED 1-FOR-4 RIGHTS ISSUE RAISES \$7.8m, \$5.9m FOR RETAIL**
- * **COMPUMEDICS SELLS \$1m DIAGNOSTICS TO CHINA**
- * **US PATENT FOR BIODIEM'S BDM-I FOR MALARIA, TRICHOMONIASIS**
- * **CAPITAL CONCERNS, LOGUE FAMILY TAKES 6% OF IMMURON**
- * **BONE PLACEMENT, STOCK ISSUE IN LIEU OF PAYMENT EGM**
- * **GOLDFIRE ROBERT MARTIN, ACCORD TAKE 13% OF ACUVAX**

MARKET REPORT

The Australian stock market fell 0.16 percent on Thursday May 3, 2012 with the S&P ASX 200 down 6.9 points to 4,429.0 points.

Twelve of the Biotech Daily Top 40 stocks were up, 16 fell, six traded unchanged and six were untraded.

Patrys was the best, up 0.2 cents or 6.7 percent to 3.2 cents with 35,000 shares traded, followed by Cellmid up 6.25 percent to 1.7 cents with 4.4 million shares traded and Phylogica up 6.1 percent to 5.2 cents with 279,600 shares traded.

Genera and Tissue Therapies climbed more than four percent; Neuren and Sunshine Heart were up more than three percent; Acrux rose 2.5 percent; with Clinuvel, Psivida and Resmed up more than one percent.

Impedimed led the falls, down six cents or 13.95 percent to 37 cents with 35,460 shares traded.

Alchemia and Benitec lost five percent or more; Prima and Genetic Technologies fell more than four percent; Allied Health and Reva lost more than three percent; Avita and Mesoblast shed more than two percent; with Anteo, Bionomics, Biota, Cochlear, Living Cell, Starpharma and Viralytics down more than one percent.

VENTUS MEDICAL

Ventus Medical chief executive officer Peter Wyles says Australia is attractive to his company for both capital raising and commercial reasons.

In Australia to support the \$40 million initial public offer at 50 cents a share, Mr Wyles told Biotech Daily that Australia was the second largest market after the US for sleep apnoea devices, primarily through pioneering work on continuous positive airways pressure devices by Resmed among others.

Mr Wyles said his company's Provent obstructive sleep apnoea nasal device created expiratory positive airway pressure and was approved by the US Food and Drug Administration and the Australian Therapeutic Goods Administration and had Conformité Européenne (CE) mark approval.

Mr Wyles said the Provent nasal plugs were taped to each nostril and by slightly reducing exhaled air, created expiratory positive airway pressure, helping to keep compromised airways open during sleep.

Mr Wyles said the company had a second lower-resistance device in development for snoring.

He said that the Provent device was effectively over-the-counter in Australia but it was advised to see a doctor before using.

Mr Wyles said the single use, disposable nasal plugs would retail for about \$100 per box of 30 pairs of plug, while in the US the Provent device was available by prescription only where it costs \$65 to \$75 per box of 30 pairs of plugs.

He said that Ventus would launch the Provent plugs in Europe by the end of this year and the company expected to break-even or be cash-flow positive by 2014.

Mr Wyles said the initial public offer opened on April 30 and would close on May 17 with listing on the ASX expected by the end of May 2012, under the code VNT.

He said that the San Jose California-based Ventus would have unlisted US common stock with each US share equivalent to six Australian Chess depositary interests.

Mr Wyles said the post listing market capitalization was expected to be \$170 million.

The Sydney-based Inteq is the lead manager for the offer, with CCZ Equities the lead broker.

According to the US National Heart Lung and Blood Institute "millions of American adults have obstructive sleep apnea" of which more than half were overweight.

The prospectus is available at: <http://www.ventuspublicoffer.com.au>.

IMPEDIMED

Impedimed has raised \$7.8 million from institutional investors through a 35 cents a share non-renounceable one-for-four rights issue, with a \$5.9 million offer to retail investors.

Impedimed said its largest shareholder, Allan Gray Australia (formerly Orbis Investment Management), had committed to the entitlement offer and would continue to hold about 19.9 percent of the company's shares on completion of the offer.

The company said the funds were to expand reimbursement support its L-Dex technology for the assessment of lymphoedema as well as sales, marketing and training; instrument development including the commercialization of the UB500 diagnostic, clinical trial support, inventory growth and working capital.

Impedimed said that Wilson HTM Corporate Finance and RBS Morgans Corporate were joint lead managers for the offer

Impedimed said the record date was May 4, the offer would open on May 10 and close on May 24, 2012.

Impedimed fell six cents or 13.95 percent to 37 cents.

COMPUMEDICS

Compumedics says Beijing Beike Digital Medical Technology has ordered products worth \$1 million from its German-based brain blood-flow ultra-sonography division.

Compumedics said that Compumedics Germany GmbH orders for the financial year-to-date were 37 percent higher than the entire prior financial year.

Compumedics said it had "significant momentum building over the last two years" in China with sales up from \$US1.8 million in the year to June 30, 2007 to \$US4.4 million in the year to June 30, 2011 and that since 2007, sales of its sleep diagnostic systems had grown 400 percent from \$US250,000 to \$US1 million in 2011.

Compumedics said that across Asia sales increased by about 11 percent a year from \$US4.5 million in 2007 to \$US7.6 million in 2011.

The company said that its neuro-diagnostic range of products, including the Neuvo long-term electroencephalogram (EEG) monitoring system, was "an untapped commercial opportunity" in the region with initial sales forecast for this year.

Compumedics chairman and chief executive officer Dr David Burton said the "significant sales orders achieved through the course of the financial year further validate Compumedics' superior product offering".

"They reinforce our commitment to developing Compumedics' potential for exponential growth in the Asian markets, particularly in China," Dr Burton said.

Dr Burton quoted a published survey showing that up to 38 percent of the 19 million people of Shanghai suffered from some form of sleep disorder, meaning that about seven million potential sleep disorder patients could benefit from his company's products.

"Market research ... confirms that sleep apnoea diagnostic systems have been reported as the fastest growing category within the Chinese anaesthesia and respiratory devices market, with growth rates of 15.7 percent between 2002 and 2009 and a forecast of 14.1 percent between 2009 and 2016," Dr Burton said.

"Compumedics has established itself over the past two decades as the leading supplier of premier sleep and also neurology systems amongst the finest Chinese hospitals, universities and clinics, alike," Dr Burton said.

Compumedics was unchanged at 7.5 cents.

BIODIEM

Biodiem says it has been granted an additional US patent for its antimicrobial compound BDM-I in development for the treatment of infectious diseases.

Biodiem said that BDM-I and has shown activity against a wide range of micro-organisms.

The company said that the patent, entitled 'Antimicrobial and radioprotective compounds' specifically covered BDM-I's activity against Plasmodium falciparum, the protozoan responsible for causing the most commonly severe form of malaria as well as Trichomonas vaginalis, the protozoan responsible for causing the common sexually transmitted disease trichomoniasis.

Biodiem said that the patent supplemented the existing US patent for BDM-I for treatment of vulvo-vaginitis or vaginal inflammation.

The company said that the patent granted for BDM-I's activity in vulvovaginitis specifically included some of the most prevalent vaginitis-causing microorganisms.

Biodiem chief executive officer Julie Phillips said her company was developing data supporting BDM-I's broad-spectrum antimicrobial activity "against important infectious diseases with the aim of substantially increasing the value of the compound in anticipation of securing a licencing agreement".

Biodiem was up 0.8 cents or 10.7 percent to 8.3 cents.

IMMURON

Capital Concerns Pty Ltd as the Logue Family Super Fund has become a substantial shareholder in Immuron with the acquisition of 20,771,223 shares or 5.58 percent.

The initial substantial shareholder notice said shares were acquired between Sep 8, 2009 and April 27 2012 for \$743,452 or an average price of 3.58 cents a share.

Immuron was unchanged at 1.7 cents with 1.9 million shares traded.

BONE MEDICAL

Bone shareholders will vote on a placement and to issue shares and options to Proxima Laboratory and Research Services and to its directors in lieu of cash payments.

The company proposes to issue shares and options to Dr Roger New a director of Proxima and Bone as well as shares and options to chief executive officer Peter Young, as well as directors and companies Leif Jensen, Prof Peter Brooks, Dr Barry Walker, Leon Ivory, Tim Earle, EMT Management, Ivory & Co, La Jolla Cove Investors, Balion Ptd Ltd, Ken Sorensen, Gilford Securities, Hall Phoenix Inwood, David Stoup and Proxima Concepts.

Bone shareholders will vote on a \$2 million placement at a price no less than 80 percent of the relevant five-day volume weighted average prior to issue.

Last year, Bone held a similar extraordinary general meeting to issue shares and options to Proxima and its directors in lieu of cash payments (BD: Jun 1, 2011).

The meeting will be held at Ledger Corporate, Level 3, 46 Ord Street, West Perth, Western Australia on June 4, 2012 at 6.30pm (AWST).

Bone was unchanged at one cent with 1.3 million shares traded.

ACUVAX

Goldfire Enterprises, Accord Investments and Robert and Pamela Martin have increased their holding in Acuvax from to 306,194,360 shares (13.35%) to 356,194,360 shares (15.53%).

The substantial shareholder notice said that Goldfire bought 50,000,000 shares for \$50,000 or 0.1 cents a share.

Acuvax was untraded at 0.1 cents.