# Biotech Daily

Friday August 24, 2012

*Daily news on ASX-listed biotechnology companies*

*** ASX, BIOTECH DOWN: PATRYS UP 13%, ACRUX DOWN 14%**

*** CYCLOPHARM BUILDS CYCLOTRON AT MATER BRISBANE**

*** ALCHEMIA DEMERGER MEETING IN OCTOBER**

*** CALZADA'S POLYNOVO DEVELOPS SYNTHETIC SKIN, SLOW TRIALS**

*** ACRUX REVENUE DOWN 89% TO $11m, PROFIT DOWN 87% to $7m**

*** ATCOR REVENUE DOWN 14% TO $6.4m, LOSS DOWN 36% TO $2m**

*** IDT REVENUE DOWN 24% TO $10m, LOSS UP 678%; 'NEXT YEAR BETTER'**

## MARKET REPORT

The Australian stock market fell 0.79 percent on Friday August 24, 2012 with the S&P ASX 200 down 34.7 points to 4,349.0 points.

Nine of the Biotech Daily Top 40 stocks were up, 12 fell, 14 traded unchanged and five were untraded.

Patrys was the best, up 0.3 cents or 13.0 percent to 2.6 cents with 163,478 shares traded.

Benitec climbed 5.9 percent; Genetic Technologies was up 4.8 percent; Optiscan and Reva were up more than three percent; Sunshine Heart rose 2.9 percent; CSL and Viralytics were up more than one percent; with Heartware, Resmed and Universal Biosensors up by less than one percent.

Acrux led the falls, down 56 cents or 14.4 percent to $3.33 with 6.3 million shares traded.

Bionomics lost five percent; Avita, Cochlear, Phosphagenics, Phylogica and Starpharma fell more than three percent; Biota and Sirtex shed more than two percent; Alchemia, Mesoblast and QRX were down more than one percent; with Pharmaxis down 0.4 percent.

## CYCLOPHARM

Cyclopharm says it will establish a cyclotron manufacturing facility at the Mater Hospital in South Brisbane, expected to be operational in 2014.
Cyclopharm said the cyclotron manufacturing facility would be created with Queensland's Mater Misericordiae Health Services and Sonic Healthcare's Queensland X-Ray to produce pharmaceuticals used in positron emission tomography.
Cyclopharm said it would establish a state-of-the-art cyclotron manufacturing facility on the grounds of the South Brisbane Mater Hospital by 2014 and supply Queensland X-Ray's facilities with flurodeoxyglucose (FDG), the primary diagnostic pharmaceutical used in positron emission tomography, for a minimum period of five years
The company said that until the Brisbane facility was operational it would continue to supply Queensland X-Ray's FDG requirements from its Sydney facility.
Cyclopharm said the agreement was "an outstanding advancement …as it delivers an underwritten entry into the high growth Queensland FDG market, supplying Queensland's largest radiology group at Queensland largest medical precinct".
The company said it was an important step to become Australia's leading provider of FDG and emerging positron emission tomography radio-pharmaceuticals.
Cyclopharm said the new facility would provide a platform for further growth in the Queensland market.
The company said that it would work with the Mater to finalize the design and scope of the facility and the precise capital cost to Cyclopharm, and related financing method, would not be determined until the design was finalized, but was expected to be in the range of about $5 million to $7.5 million
Cyclopharm said the designated land had been acquired by the Mater and the lease had been approved by the respective boards.
Cyclopharm was untraded at 20 cents.

## ALCHEMIA

Alchemia says a scheme of arrangement meeting for the demerger of Alchemia Oncology Pty Ltd will be held in Brisbane on October 5, 2012 (BD: Nov 7, 2011; Jul 9, 2012) .
Alchemia said that BDO Corporate Finance was commissioned to prepare separate independent expert's reports on the demerger and they concluded that the demerger was in the best interests of Alchemia shareholders.
The company said the board unanimously recommended that Alchemia shareholders vote in favor of the resolution to approve the demerger at the scheme meeting.
Alchemia said that full details of the demerger, including how to vote on the resolution and full copies of the independent expert's report, were included in the scheme booklet and notice of meeting, expected to be lodged with the ASX on August 28, 2012.
The company said the documents would be available at www.alchemia.com.au and the scheme booklet and notice of meeting were expected to be posted to shareholders on September 3, 2012.
The meeting will be held at the Brisbane Convention and Exhibition Centre, Cnr Merivale and Glenelg Streets, South Bank, Brisbane, Queensland at 10am (AEST).
Alchemia said a general meeting would be held at either at 11am or immediately following the close of the scheme meeting, at the same venue.
Alchemia fell one cent or 1.9 percent to 52 cents.

## CALZADA, POLYNOVO BIOMATERIALS

Calzada's wholly owned subsidiary Polynovo is using its bio-degradable temporizing matrix as a scaffold for 'composite cultured skin' for burns.
Calzada said that the patient's own skin cells were taken from a small biopsy, a synthetic skin was then created in a bioreactor and reseeded onto the matrix.
The company said that Polynovo had made significant progress in developing the product with positive results from unspecified animal trials proving that a viable synthetic skin could be produced and successfully implanted into an animal.
Calzada said the results showed that the composite cultured skin was successfully integrated onto a previously implanted bio-degradable temporizing matrix which then closed the wound, showing no signs of infection, with very limited contraction after 49 days implant in the animal.
The company said that creating a sustainable synthetic skin was "highly challenging", but the results gave confidence that it could create a paradigm shift in the treatment of burns.
Calzada said that a viable synthetic skin product would allow burn surgeons to sidestep the requirement for harvesting skin grafts, alleviating the extreme discomfort associated with skin graft donor sites in patients.
Calzada said that Polynovo's second clinical trial using its Novosorb bio-degradable temporizing matrix for 'free flap' surgical repair had experienced slower than expected recruitment and would not be completed until "well into 2013" (BD: Apr 3, 2012).
The company said that the main reason for the delay was that the number of patients requiring free flap elective surgery compatible with the trial protocol unexpectedly decreased significantly since the trial recruitment commenced in April 2012.
Calzada said it still hoped to recruit all 10 patients under the existing trial protocol in the coming weeks and the clinical team was exploring possible solutions to speed up the rate of recruitment, including authorization to include other types of wound treatments.
The company said the delay would not increase the cost of the trial.
Calzada said the vacuum assisted closure trial was on-track with 11 of 20 patients recruited and several patients on a waiting list for entry into the trial, to be treated as soon as the Royal Adelaide Hospital has beds available (BD: Jul 30, 2012).
The company said that patients with multiple pressure sores had been identified and the potential to have more than one wound entered into the trial, thereby accelerating the rate of enrollment, with results expected prior to the end of 2012.
Calzada fell 0.1 cents or 2.2 percent to 4.4 cents.

## ACRUX

Acrux says revenue for the 12 months to June 30, 2012 was down 89 percent to $10,705,000 with a net profit after tax down 87 percent to $7,391,000.
Last year, Acrux received $89.6 million from product agreements, including milestone revenue of $US87 million from Eli Lilly for Axiron (BD: Aug 23, 2011).
Today, Acrux said revenue from product agreements was $8.8 million including Axiron royalties of $US6 million ($A5.75 million).
Acrux said net tangible assets per share at June 30, 2012 was up 30.8 percent to 17.0 cents and diluted earnings per share was down 87.1 percent to 4.44 cents, compared to the previous year's 34.51 cents.
The company said it held $30,017,000 in cash and cash equivalents at June 30, 2012, compared to $33,159,000 at June 30, 2011.
Acrux said it would pay a final dividend of eight cents a share on September 2012.
Acrux fell 56 cents or 14.4 percent to $3.33 with 6.3 million shares traded.

## ATCOR MEDICAL

Atcor says its net loss after tax for the 12 months to June 30, 2012 was reduced 36 percent to $1,985,519 on revenue down 14 percent to $6,442,707.
Atcor said that net tangible asset per share fell 40.9 percent from 2.2 cents at June 30, 2011 to 1.3 cents at June 30, 2012.
The company said diluted loss per share was 1.5 cents compared with 2.6 cents in the previous corresponding period.
Atcor said its cash and equivalents fell from $1,714,291 at June 30, 2011 to $1,117,306 at June 30, 2012.
Atcor was untraded at six cents.

## IDT

IDT says its net loss after tax for the 12 months to June 30, 2012 was up 678 percent to $1,837,000 on revenue down 24 percent to $9,984,000.
IDT said the fall in revenue was “partly a result of revenues being delayed by clients” until after June 30, 2102, was combined with an $800,000 write off of capitalized research, resulting in the after tax loss of $1.8 million.
The company said the results reflected “the uncertain market conditions experienced by contract research, development and manufacturing companies relying on the Australian and US pharmaceutical sectors and the high Australian dollar”.
“Current indications, however, suggest that the number of enquiries for contract manufacturing and research are on the rise and it is hoped that IDT’s unique blend of facilities will convert into revenue in [2012-‘13] and beyond,” IDT said.
IDT said that net tangible asset per share fell 12.1 percent from 66 cents at June 30, 2011 to 58 cents at June 30, 2012.
The company said diluted loss per share was 4.3 cents compared with 0.5 cents in the previous corresponding period.
IDT said it had cash and equivalents of $13,000 at June 30, 2012 compared to $1,232,000 at June 30, 2011.
IDT fell one cent or 3.8 percent to 25.5 cents.