



Biotech Daily

Monday July 6, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PRANA UP 18%, CHEMGENEX DOWN 9%**
- * **LIVING CELL OPENS RUSSIAN SUBSIDIARY**
- * **CORRECTION: PROGEN**
- * **EX-IMMURON CEO DR ZEIL ROSENBERG CLAIMS \$500k FOR RETIREMENT**
- * **POLARTECHNICS: FERMISCAN OFFER OPEN TO JULY 15**
- * **SAFETY MEDICAL REPAYS 750 \$100 NOTES; EXTENDS 7,000 NOTES**
- * **USCOM SAYS 2009-'09 REVENUES UP 70%**

MARKET REPORT

The Australian stock market fell 1.16 percent on Monday July 6, 2009 with the S&P ASX 200 down 44.5 points to 3,783.7 points.

Ten of the Biotech Daily Top 40 stocks were up, 10 fell, 10 traded unchanged and 10 were untraded. All three Big Caps fell.

Prana was best, up 2.5 cents or 17.9 percent to 16.5 cents with 35,690 shares traded, followed by Antisense up 0.3 cents or 8.1 percent to four cents.

Phylogica climbed 7.1 percent; Genera was up four percent; Peplin climbed 3.9 percent with 4.4 million shares traded; Starpharma was up 3.1 percent; Acrux and Living Cell rose more than two percent; Mesoblast was up 1.3 percent; with Cellestis up 0.3 percent.

Chemgenex led the falls, down 5.5 cents or 8.7 percent to 57.5 cents with 266,750 shares traded.

Nanosonics, Phosphagenics, Polartechinics and Tyrian lost more than three percent; CSL and Heartware shed more than two percent; Clinuvel, Pharmaxis and Sirtex were down more than one percent; with Cochlear, Impedimed and Resmed down by less than one percent.

LIVING CELL TECHNOLOGIES

Living Cell has created a Russian subsidiary LCT Biomedical, "to facilitate the commercial development of Diabecell for type 1 diabetes.

Living Cell said Natalia Dolgova had been appointed as the director of the Moscow-based LCT Biomedical.

The company said Ms Dolgova had 17 years experience in the medical products market in Russia.

Living Cell said Ms Dolgova's objectives were to obtain regulatory approval for a pivotal clinical study of Diabecell in at least two centres in Russia and register the product so that the treatment was available for people with diabetes in Russia.

Living Cell's New Zealand-based regional director for Russia Dr Olga Garkavenko said the regulatory process had been initiated and it was expected that the product would be registered by October 2011.

The company's medical director Prof Bob Elliott said the subsidiary was "a timely development to advance positive preliminary results from the first trial in Moscow".

"We have now implanted eight patients with Diabecell, the most recent on June 22, 2009 in a 33 year old man with type 1 diabetes," Prof Elliott said.

"To date, there have been no untoward adverse events," Prof Elliott said.

"Two patients remain off insulin injections at their last clinical review," he said.

"All patients followed up have said they are pleased with how the implants have improved control of their blood sugar levels and this is supported by their normalized %HbA1c or glycated hemoglobin measurements and reduced daily insulin doses," Prof Elliott said.

Living Cell's chief executive officer Dr Paul Tan said the establishment of a company with local business and regulatory expertise aimed to accelerate commercial development.

Dr Tan said the Diabecell encapsulated porcine islets of Langerhans would be supplied from New Zealand for the foreseeable future.

"This is the quickest development pathway to get this innovative treatment available to the wider diabetic community," Dr Tan said.

Living Cell was up half a cent or 2.78 percent to 18.5 cents.

CORRECTION: PROGEN

In Friday's edition, Biotech Daily incorrectly attributed a form of ownership of PI-88 or muparfostat to Medigen.

Progen chief executive officer Justus Homburg told Biotech Daily that muparfostat was developed by Prof Chris Parish at the Australian National University in Canberra and was licenced by Progen.

Medigen conducted trials of the drug in Taiwan, but Mr Homburg said the Taiwanese company never owned it, despite some reports claiming that it did.

Biotech Daily apologizes for the error. No sub-editors were hurt in making this apology.

Progen was untraded at 84 cents.

IMMURON

Immuron says its former chief executive officer Dr Zeil Rosenberg has issued a letter of demand claiming up to \$500,000 for the non-renewal of his employment contract.

Immuron said it was "seeking legal advice in relation to the claims and intends to strenuously defend itself should Dr Rosenberg decide to initiate proceedings".

Immuron was untraded at 2.5 cents.

POLARTECHNICS

Polartech says its conditional offer for Fermiscan remains open until July 15, 2009, despite Fermiscan directors opposing the merger.

In a media release to the ASX, Polartech said the offers were not free of the conditions, the conditions have not been fulfilled and the offers remain open until 7pm on July 15, 2009.

Polartech said it would not extend the offer.

On July 2, 2009 Polartech increased its substantial shareholding in Fermiscan through acceptances to 32,232,221 shares (22.46%) of the takeover offer despite the Fermiscan directors' recommendation (BD: Jun 29, 2009).

Today, Polartech said its voting power in Fermiscan was 22.61 percent.

Polartech fell 0.3 cents or 3.8 percent to 7.6 cents.

Fermiscan was untraded at 10 cents.

SAFETY MEDICAL PRODUCTS

Safety Medical says it has repaid 250 of its 7,750 convertible notes, will repay 500 convertible notes and has extended the term of the remaining 7,000 notes

Safety Medical said the maturity date of the 7,000 worth \$700,000 was extended from June 4, 2009 to July 31, 2010.

The company said 250 notes were repaid in full on June 30, 2009 for \$25,000 with 500 convertible notes to be repaid in full at the note-holders request.

Safety Medical was untraded at 6.3 cents.

USCOM

Uscom says product revenues have increased by about 70 percent over the prior financial year to more than \$1.6 million, subject to audit.

Uscom said that in the last three months of the financial year it achieved a cash flow neutral position from normal operations, with an expected net inflow of about \$500,000 due to tax returns and grants.

The company said it "approached profitability for the last half of the financial year".

Uscom said the outcome was subject to confirmation in the final audit, but it was "a significant achievement for the company".

Uscom executive chairman Rob Phillips said it was "an excellent year for Uscom reflecting our focus on clearly identified objectives".

Uscom was untraded at 70 cents.