



Biotech Daily

Thursday April 1, 2010

Daily news on ASX-listed biotechnology companies

- * **MARCH BDI-40 UP 3.5%, DESPITE CHEMGENEX, CATHRX CRASHES**
- * **TODAY: ASX UP, BIOTECH DOWN:
GENETIC TECHNOLOGIES UP 11%; COMPUMEDICS DOWN 15%**
- * **ACRUX RECOVERS WOMEN'S TESTOSTERONE SPRAY FROM VIVUS**
- * **IMPEDIMED PLACEMENT, 1-FOR-8 RIGHTS ISSUE TO RAISE \$20m**
- * **CHINA REFUSES HELICON'S VOLPLEX PLASMA SUBSTITUTE**
- * **SELECT ASSET REDUCES 1% IN CIRCADIAN**
- * **GBS REDUCES 1.5% IN COGSTATE**
- * **BIOTRON LOSES DIRECTOR PETER SCOTT**

MARKET REPORT

The Australian stock market climbed 0.66 percent on Thursday April 1, 2010 with the S&P ASX 200 up 32.2 points to 4907.7 points.

Twelve of the Biotech Daily Top 40 stocks were up, 14 fell, eight traded unchanged and six were untraded. All three Big Caps fell.

Genetic Technologies was best, up 0.4 cents or 11.4 percent to 3.9 cents with 1.1 million shares traded followed by Viralytics up half a cent or 9.3 percent to 5.9 cents with 4.4 million shares traded and Phylogica up 8.9 percent to 9.8 cents.

Impedimed and Optiscan climbed more than six percent; Benitec was up 4.65 percent; Psivida rose 2.4 percent with Cellestis and Novogen up more than one percent.

Compumedics led the falls, down three cents or 15.0 percent to 17 cents with 5,000 shares traded, followed by Antisense down 9.1 percent to two cents with 4.4 million shares traded.

Prana lost 7.1 percent; Clinuvel fell 5.7 percent; Bionomics was down 4.5 percent; Patrys was down 3.45 percent; Nanosonics, Starpharma and Sunshine Heart shed more than two percent; with Biota, Circadian, Pharmaxis and Resmed down more than one percent.

[BIOTECH DAILY TOP 40 INDEX](#)

The Biotech Daily Top 40 Index (BDI-40) climbed in March after two months of falls – despite Chemgenex and Cathrx tumbling one third and one half of their market capitalizations, respectively. Had these not occurred, the modest 3.5 percent rise in the BDI-40 would have been a more significant 5.2 percent rise.

The Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) climbed nearly \$2 billion in March following the strong February performance, up 7.0 percent for the month, with all three up. For the 12 months to March 31, 2010 the Big Caps were up 15.7 percent.

The BDI-40 3.5 percent rise in March 2010 compares to the S&P ASX 200 up 5.1 percent, but for the year to March 31, 2010 the BDI-40 was up 98.3 percent compared to the ASX200 up 36.1 percent.

The BDI-20 climbed 5.2 percent in March, with the Second 20 down 6.1 percent, but this incorporates last month's changes to the indices. Comparing the same sets of companies both indices were up, as was the Third 20, which climbed 7.8 percent.

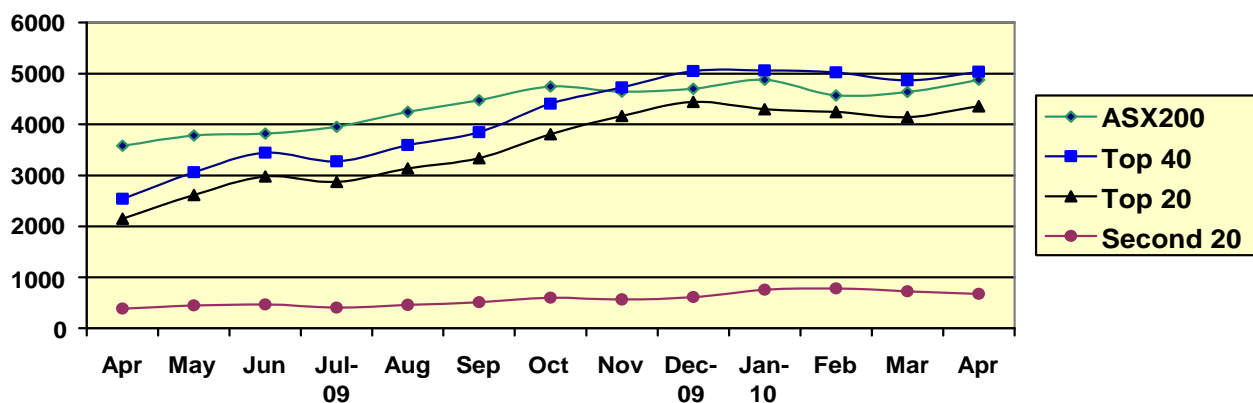
Cochlear finished the month up 14.2 percent at \$4,119 million, Resmed climbed 9.0 percent to \$5,345 million and CSL was up 5.2 percent to \$21,118 million.

Seventeen BDI-40 companies were up, with nine up more than 10 percent, while 18 fell, with only four down by more than 10 percent.

Phosphagenics was the best in March, up 49.1 percent to \$85 million, followed by Living Cell up 36 percent to \$68 million, Circadian up 32 percent to \$33 million, Benitec up 20 percent to \$18 million, Psivida (16.4%), Bionomics (16.3%), Acrux (15%), Pharmaxis (12.1%) and Mesoblast (11.3%). Outside the Top 40 Advanced Surgical was up 80 percent to \$18 million.

Antisense led the falls, down 55.2 percent to \$13 million, followed by Cathrx down 45 percent to \$11 million, Chemgenex down 36.3 percent to \$123 million and Genetic Technologies down 13.3 percent to \$13 million.

Biotech Daily Top 40 (\$m) v S&P ASX 200 2009-2010



ACRUX

Acrux says the former licensee of its testosterone spray for women Vivus has failed to start a phase III trial as agreed and has handed back the product to Acrux.

Acrux said the Californian Judicial Arbitration and Mediation Service set a final date for the trial to start on April 1, 2010, but on March 29, 2010 its US wholly owned subsidiary Fempharm saw little or no progress and on March 29, 2010 referred the matter back to the panel, requesting a further hearing (BD: Jun 19, 2009).

Acrux said that on March 30, 2010 Vivus provided notice to terminate the licence agreement and the US rights to the spray return to Fempharm, which owns and controls worldwide rights to the product, which Vivus branded as 'Luramist'.

In June 2009 Acrux chief executive officer Dr Richard Treagus told Biotech Daily there were diligence obligations and payments if Vivus failed to meet the set date.

Today, Dr Treagus told Biotech Daily that the product, also known as Testosterone MDTs (metered dose transdermal spray), was for women with hypo-active sexual desire disorder – or low sex drive.

Dr Treagus said that Vivus had "paid some amounts" to Fempharm and that the licencing contract "had payment provisions for not commencing a phase III trial".

But Dr Treagus said the arbitration panel would decide any amount due to Fempharm from Vivus.

Dr Treagus said the original contract began in 2004 and there had been "significant delays" until Acrux raised the dispute in 2007.

Dr Treagus said Vivus had interacted with the US Food and Drug Administration and had established a special protocol assessment regulatory pathway.

"Significant time has been lost," Dr Treagus said.

He said the company had not made a decision on whether to rename the product.

In a media release to the ASX Dr Treagus said his company was "very pleased" it was able to control the development and commercialization of the testosterone spray for women.

"We have always believed that it has the potential to generate very strong commercial returns for Acrux, being potentially the best-in-class product in a billion dollar market," Dr Treagus said.

Acrux fell two cents or 0.85 percent to \$2.32.

IMPEDIMED

Impedimed hopes to raise up to \$20.1 million through a placement of 15.4 million shares and a one-for-eight non-renounceable rights offer, both at 65 cents a share.

Impedimed said the funds would be used to facilitate adoption of its L-Dex lymphoedema diagnostic by US surgeons and oncologists.

The company said the funds would expand reimbursement and sales teams in the US; expand the training, technical support and senior executive teams in San Diego; contribute to marketing programs including a patient registry; complete the development of the L-Dex UB500 and its validation; and go to general working capital.

Impedimed said the record date for the rights offer was April 15, 2010.

The company said the offer would open on April 19, 2010 and close on May 7, 2010.

Wilson HTM and RBS Morgans are joint lead managers to the offer.

Impedimed chief executive officer Greg Brown told Biotech Daily that neither the placement nor the rights offer were underwritten.

Impedimed was up five cents or 6.7 percent to 80 cents, with 38 shares traded.

HELICON

Helicon says China's State Food and Drug Administration has rejected the application to market the plasma substitute, Volplex.

Helicon said the SFDA cited potential quality issues with the gelatine used in the manufacture of Volplex, a sterile solution of chemically-modified gelatine in normal saline. The company said the product was widely used as an intravenous infusion to replace the plasma component of blood lost as a result of trauma or surgery.

Helicon said Volplex was licenced from the UK's IS Pharmaceuticals (formerly Maelor), was manufactured in Germany and had been available in the UK for many years.

Helicon chief executive officer Peter Abrahamson said the decision was "very disappointing" and reflected "the growing conservatism of this regulatory agency following a number of decisions that had disastrous consequences in China".

He said more than 60 percent of applications were being rejected by the SFDA.

"The SFDA decision is perplexing, given that a similar chemically-modified gelatine is already approved for sale in China, and because Volplex is approved and sold in highly regulated western markets such as the UK," Mr Abrahamson said.

Helicon said its advisors did not see an avenue for appealing this decision.

Earlier this week the SFDA rejected Helicon's application to market Medwrap's Island Wound Dressing with Microban citing the risk associated with potentially extended exposure to the antibacterial Microban (BD: Mar 29, 2010).

The company said Microban controlled bacterial growth, was widely used in wound management, was approved by the US Food and Drug Administration and had been marketed in the US for many years. Helicon was considering an appeal.

Helicon also has Avita's skin harvesting device Recell registered in China and said it was "progressing this through further regulatory processes".

Helicon said it was "in the process of actively reviewing a number of strategic options outside its present business and will make an announcement in the near future".

Helicon was up 0.3 cents or 11.1 percent to three cents.

CIRCADIAN

Sydney's Select Asset Management has reduced its substantial holding in Circadian from 3,277,612 shares (7.24%) to 2,769,943 shares (6.12%).

The substantial shareholder notice said Select Asset and Joachim Gottschalk sold 507,669 shares for \$376,437 or 74.2 cents a share.

Circadian fell one cent or 1.4 percent to 71 cents.

COGSTATE. GBS VENTURE PARTNERS

GBS Venture Management has reduced its substantial holding in Cogstate from 7,470,868 shares (11.23%) to 6,470,868 shares (9.73%).

The substantial shareholder notice said GBS acted as trustee for the Australian Bioscience Trust and sold 1,000,000 shares for \$300,000 or 30.0 cents a share.

Cogstate was untraded at 28.5 cents.

BIOTRON

Biotron says Peter Scott has resigned as a non-executive director.

The company provided no further information regarding any potential replacement.

Biotron was untraded at 9.6 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Apr-2010	Mar	Feb
Cochlear	4,119	3,607	3,618
CSL	21,118	20,083	17,978
Resmed	5,354	4,911	4,432
Top 20			
Acrux	376	327	324
Alchemia	117	126	142
Antisense	13	29	30
Avexa	127	110	140
Bionomics	107	92	107
Biota	406	390	374
Cellestis	285	303	342
Chemgenex	123	193	266
Clinuvel	80	80	65
Genera	41	44	44
Heartware	663	603	450
Impedimed	82	79	82
Living Cell	68	50	57
Mesoblast	286	257	295
Nanosonics	136	128	140
Novogen	45	48	61
Pharmaxis	638	569	585
Sirtex	332	326	374
Starpharma	164	177	168
Universal Biosensors	270	283	288
Second 20			
Benitec	18	15	16
Bone Medical	14	14	19
Cathrx	11	20	38
Cellmid	9	10	11
Circadian	33	25	32
Compumedics	32	29	32
Genetic Tech	13	15	15
Labtech	9	9	9
Optiscan	9	9	9
Patrys	27	28	37
Phosphagenics	85	57	49
Phylogica	21	19	26
Prana	33	35	36
Prima	95	101	97
Psivida	78	67	76
QRX Pharma	94	98	86
Sunshine Heart	18	19	19
Tissue Therapies	30	31	26
Uscom	26	27	31
Viralytics	22	22	26

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Chemgenex, Impedimed, Neuren and Optiscan, as well as non-biotechnology stocks and has an indirect interest through Australian Ethical trusts in Cochlear, Impedimed, Pharmaxis, QRX, Resmed and Tissue Therapies. These holdings are liable to change at any time.

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