



Biotech Daily

Monday August 30, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: OPTISCAN UP 7%; CIRCADIAN DOWN 9%**
- * **BIONOMICS BNC210 'BETTER THAN DIAZEPAM' FOR PANIC ATTACK MICE**
- * **IMPEDIMED WINS 2nd 'MANAGED CARE' INSURER FOR L-DEX TEST**
- * **RESONANCE PROFIT DOWN 117% TO \$102k; REVENUE DOWN 16%**
- * **NEURODISCOVERY 1-FOR-2 RIGHTS ISSUE TO RAISE UP TO \$719k**
- * **ORBIS TAKES 12.5% OF STARPHARMA**
- * **SELECT VACCINES EXTENDS HALT TO SUSPENSION**
- * **SERGIO DEL VECCHIO REPLACES IM MEDICAL CEO ROMAN NAJDECKI**
- * **COGSTATE APPOINTS DIRECTOR, COMPANY SECRETARY**

MARKET REPORT

The Australian stock market was up 1.9 percent on Monday August 30, 2010 with the S&P ASX 200 up 82.6 points to 4452.7 points.

Twelve of the Biotech Daily Top 40 stocks were up, nine fell, six traded unchanged and 13 were untraded. All three Big Caps were up.

Optiscan was best, up 0.3 cents or 6.7 percent to 4.8 cents with 11,500 shares traded, followed by Impedimed up four cents or 5.6 percent to 75 cents with 848,726 shares traded and Cellestis up 5.1 percent to \$2.48 with 20,024 shares traded.

Phosphagenics climbed 4.2 percent; Acrux, Biota, Phylogica and Virax were up more than three percent; Tissue Therapies rose 2.7 percent; with Chemgenex, Cochlear, CSL, Prima and Resmed up more than one percent.

Circadian led the falls, down 5.5 cents or 8.53 percent to 59 cents with 8,711 shares traded, followed by Patrys down 7.1 percent to 9.1 cents with 92,000 shares traded.

Psivida lost 6.15 percent to \$3.51 with 25 shares traded; Prana and Viralytics lost more than three percent; with Alchemia, Heartware, Pharmaxis and Starpharma down one percent or more.

BIONOMICS

Bionomics says its BNC210 is more effective than Diazepam in reducing anxiety in a rat model of human panic attacks in humans and without sedative side effects.

Bionomics said its anti-anxiety compound BNC210 was safe and well tolerated up to a dose of 2000mg in humans and a single oral dose resulted in higher drug exposure levels than those required for efficacy in preclinical models and was maximal when taken after food.

Bionomics said the data was presented in two posters to the European College of Neuropsychopharmacology conference in Amsterdam which began on August 28, 2010. The company said the data demonstrated preclinical and clinical attributes of BNC210 that provide further support for its development for the treatment of anxiety and depression. Bionomics said the first poster entitled 'Evaluation of the Novel Anxiolytic BNC210 in a Rat Model of Cholecystokinin-Induced Panic' outlined the performance of BNC210 in a rat model of chemically-induced panic using the neurotransmitter, cholecystokinin (CCK), which provokes panic attacks in humans and provided a model for assessing the efficacy of compounds with the potential to treat anxiety.

Bionomics said diazepam was prescribed for the treatment of anxiety and panic disorder and was known to be active in cholecystokinin challenge studies.

The company said that when the two drugs were compared in CCK-treated rats, BNC210 reduced anxiety in a dose dependent manner without sedation, whereas diazepam produced clear signs of sedation. A copy of the detailed poster is available at: <http://www.bionomics.com.au/siteFiles/files/ECNP%20CCK%20Poster-4.pdf>.

Bionomics chief executive officer Dr Deborah Rathjen said she was "excited that BNC210 exhibits such potent activity in this preclinical model of panic without displaying sedation which is one of the key side-effects of currently marketed treatments for anxiety".

"This new data builds on an already impressive body of evidence pointing to the efficacy of BNC210 in a wide range of animal models," Dr Rathjen said.

"Based on the results of this study, it is reasonable to suggest that BNC210 may be of therapeutic benefit for panic disorders and other forms of acute anxiety in addition to general anxiety disorder or more chronic forms of anxiety as well as depression," Dr Rathjen said.

Bionomics said the second poster presented extensive data on the pharmacokinetics, clinical safety and tolerability of increasing single doses of BNC210 in healthy volunteers, pre and post food intake (BD: Jun 21, 2010).

The company said the therapeutic window was markedly increased when the drug was given with food.

Bionomics said that drug exposure reached a plateau at a 600mg dose in fasted subjects, but when BNC210 was given following a meal, the pharmacokinetics of BNC210 appeared approximately linear up to the highest dose (2000mg).

The company said the blood levels observed following a single oral dose of BNC210 were found to exceed the plasma exposure required for efficacy in preclinical models of anxiety and depression.

Bionomics said the drug was well tolerated up to the highest dose tested and the poster is at http://www.bionomics.com.au/siteFiles/files/BNC210_ECNP_2010_CLINICAL_4.pdf.

The company said BNC210 is about to enter the next stage of clinical development with two phase Ib clinical trials expected to begin soon.

Bionomics was untraded at 29.5 cents.

IMPEDIMED

Impedimed says it has signed its second insurance reimbursement contract in one week for use of its L-Dex technology for lymphoedema in breast cancer patients.

Impedimed said the deal with Integrated Health Plan, which has more than 10 million members across the US, followed last week's announcement of a contract with National Preferred Provider Network with 3.5 million members (BD: Aug 25, 2010).

The company said that Integrated Health Plan had contracts with a large number of US health plans and corporations including AT&T, Bank of America, Boeing Corporation, Major League Baseball, the US Department of Defense, Ford Motor Company, General Electric, K Mart Corp, Levi Strauss, Trump Organization and the US Postal Service. Impedimed chief executive officer Greg Brown said it was "gratifying to put in place another managed care contract".

"With so many payers and delivery providers of US healthcare, each managed care contract and every coverage statement from an insurer, builds yet another brick in the wall for our target of achieving effective reimbursement for L-Dex testing," Mr Brown said. Impedimed was up four cents or 5.6 percent to 75 cents with 848,726 shares traded.

RESONANCE HEALTH

Resonance says its net profit after tax was down 117 percent to a loss of \$102,335 for the 12 months to June 30, 2010 on revenue down 16 percent to \$2,006,272.

Resonance posted its maiden profit last year of \$617,051

Resonance said that its net tangible assets per share was 0.7 cents at June 30, 2010, compared to 0.9 cents at June 30, 2009, down 22.2 percent.

The company said that diluted earnings per share was 0.0 cents compared to the previous year's 0.2 cents.

Resonance said the results "reflecting increased marketing activities for the Ferriscan product [for measuring liver iron concentration] and investment into the development of pipeline products to provide further opportunities for growth".

The company said Ferriscan revenue from routine clinical use continued to increase while revenues from clinical trials decreased due to a number of trials coming to a conclusion.

Resonance said Ferriscan business segment revenue decreased 15 percent to

\$1,914,227 from \$2,259,191, but revenue associated with the routine clinical use of Ferriscan for the management of patients with iron overload grew 18 percent in the year.

Research and development expenditure was up 64 percent to \$564,084.

Overall expenditure increased 22 percent to \$2,222,081 primarily due to expansion into international markets and activities to secure reimbursement for Ferriscan.

Resonance said it had no debt and cash of \$2,133,884 at June 30, 2010.

Resonance was untraded at 1.9 cents.

NEURODISCOVERY

Neurodiscovery expects to raise \$718,577 through a fully underwritten one-for-two non-renounceable share rights offer at 2.5 cents a share.

Neurodiscovery said the rights issue was underwritten by Cunningham Peterson

Sharbanee Securities and the funds raised would be used for the development of its neuropathic pain compounds, the identification of investment opportunities, costs of the offer of about \$45,000 and for additional working capital

Neurodiscovery did not state the opening, closing or record dates for the rights issue.

Neurodiscovery was untraded at 3.6 cents.

STARPHARMA

Orbis Investment Management has increased its substantial shareholding in Starpharma from 27,357,494 shares (11.46%) to 29,950,784 shares (12.54%).

Orbis said it acquired the 2,593,290 shares for \$1,329,637 or an average price of 51.27 cents a share.

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

SELECT VACCINES

Select Vaccines has requested a voluntary suspension to follow on from the trading halt requested on August 26, 2010.

On August 26, Select Vaccines requested a trading halt pending a capital raising.

Select Vaccines last traded at 0.4 cents.

IM MEDICAL

IM Medical says chief executive officer Roman Najdecki has been replaced by Mark Scott Radiology Group general manager Sergio Del Vecchio.

IM Medical acquired the radiology group following shareholder approval to issue 1,223,978,722 shares, worth \$3 million, to the radiology group (BD: Jun 10, 30, 2010).

The company said Mr Najdecki was replaced as managing director by recently appointed executive director Mr Del Vecchio who had "significant and vast experience in and around the diagnostic imaging sector, spanning almost 25 years".

IM Medical said Mr Del Vecchio joined the Mark Scott Group in 2006 in a marketing role before becoming its general manager in April 2007.

IM Medical said Mr Najdecki would stay with the company until the end of September to complete handover arrangements to senior managers and it was searching for a permanent replacement for chief financial officer and company secretary.

IM Medical was unchanged at 0.1 cents.

COGSTATE

Cogstate says it has appointed US life science investment manager Richard van den Broek as a non-executive director and Claire Newstead-Sinclair as company secretary.

Cogstate said Mr van den Broek was the founder and managing partner of HSMR Advisors, a US based fund manager with an investment emphasis on small and mid-cap biotech public companies, which held 3.32 million Cogstate shares.

Mr van den Broek is also a director of Pharmaxis and was previously a partner at Cooper Hill Partners and prior to that had a 10 year career as a biotechnology analyst.

Cogstate said Ms Newstead-Sinclair would replace Lauren Delaney and Ms Newstead-Sinclair would remain the company's finance manager.

Cogstate was untraded at 25 cents.