



Biotech Daily

Friday August 6, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: GENETIC TECH UP 39%; LBT DOWN 11%**
- * **RESMED \$1.2b RECORD REVENUE, PROFIT; STOCK SPLIT**
- * **HEARTWARE POSTS RECORD \$22m SIX MONTH REVENUE**
- * **MONSANTO TAKES GENETIC TECHNOLOGIES LICENCE FOR CATTLE**
- * **LIVING CELL'S DR ROSS MACDONALD STARTS ON \$316k; 30% BONUS**
- * **NEURODISCOVERY'S FOUNDER DAVID MCAULIFFE RESIGNS**

MARKET REPORT

The Australian stock market slipped 0.1 percent on Friday August 6, 2010 with the S&P ASX 200 down 0.4 points to 4566.1 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 10 fell, 10 traded unchanged and seven were untraded.

Genetic Technologies was best, up 1.1 cents or 39.3 percent to 3.9 cents with 585,470 shares traded.

Bone climbed 7.7 percent; Phosphagenics and Universal Biosensors were up more than four percent; Benitec and Bionomics were up more than three percent; Clinuvel, Genera and Prima rose more than two percent; with Acrux, Biota, Mesoblast and Nanosonics up more than one percent.

LBT led the falls, down one cent or 11.1 percent to eight cents with 100,000 shares traded.

Alchemia and Heartware lost more than three percent; Pharmaxis and Tissue Therapies shed more than two percent; with Chemgenex, Psivida, Resmed and Virax down more than one percent.

RESMED

For the year to June 30, 2010 Resmed's record net profit after tax was up 30 percent to \$US190.1 million on record revenue up 19 percent to \$US1.1 billion (\$A1.2 billion). Resmed said it spent \$US75,202,000 on research and development about 6.9 percent of revenue.

Resmed said diluted earnings per share for the year to June 30, 2010 was up 29 percent compared to the previous corresponding period to \$US2.45.

For the three months to June 30, 2010, Resmed's revenue was also a record up 16 percent to \$US291.6 million, providing a net income record profit of \$53.2 million, up 17 percent compared to the previous corresponding period.

Resmed chief executive officer Kieran Gallahue said the company's "favorable mix of product sales and market share gains led to a 20 percent revenue increase in the Americas over the prior year's quarter, resulting in \$US160.9 million in sales".

Mr Gallahue said that non-Americas revenue increased 11 percent to \$US130.7 million.

"Globally, our growth in flow generators was mainly driven by strong sales of the new S9 AutoSet and Elite products," Mr Gallahue said.

"Mask sales were particularly robust this quarter across all categories and across all geographies," he said.

"Surpassing the billion dollar mark in annual sales is a result of our ability to continue to innovate and launch new products to treat sleep-disordered breathing," Mr Gallahue said.

"Continued growth will also come from the increasing confirmation of the strong impact of the relationship between sleep-disordered breathing, obstructive sleep apnea and co-morbidities such as cardiac disease, diabetes, hypertension and obesity," he said.

Resmed said all shareholders would receive one new share for each existing share they held on the record date of August 18, 2010 in Australia and August 17, 2010 in the US.

The company said the total shares on issue would increase from 76 million shares to 152 million shares.

Mr Gallahue said the split was designed to improve liquidity and broaden ownership in the company.

Resmed fell 14 cents or 1.9 percent to \$7.23 with six million shares traded.

HEARTWARE

Heartware says that for the six months to June 30, 2010 it had revenue of \$US20.5 million (\$A22.4 million) compared to \$US4.4 million for the six months to June 30, 2009.

For the three months to June 30, Heartware said it had \$US9.8 million in revenue compared to the 2009 second quarter revenue of \$US3 million.

Heartware said the net loss for the six months to June 30, 2010 was \$US14.5 million or \$US1.09 per diluted share compared to the previous corresponding period's net loss of \$US13.1 million or \$US1.48 per diluted share.

Heartware said that at June 30, 2010 it had \$US99.8 million in cash and cash equivalents compared to \$US50.8 million at December 31, 2009.

Heartware's chief executive officer Doug Godshall said the second quarter results reflected continued commercial expansion in markets outside the US, "as well as the restart of our US clinical activities mid-quarter".

"The international markets accounted for approximately 80 percent of our revenues for the quarter, as we increased our customer base from 22 to 31 hospitals and doubled the size of our field based team overseas to eight," Mr Godshall said.

Heartware fell eight cents or 2.8 percent to \$2.04.

GENETIC TECHNOLOGIES

Genetic Technologies says it has granted a third licence to the St Louis, Missouri-based Monsanto chemicals company for non-coding DNA rights relating to cattle.

Genetic Technologies said it had previously granted a non-exclusive licence to its non-coding patents to Monsanto in 2007 for all applications in plants and plant products and then granted the company a further non-exclusive licence for applications in swine.

The company said the terms of the licence were confidential and could not be disclosed. Genetic Technologies said the new licence follows discussions with Monsanto, further to the patent infringement law suit filed by Genetic Technologies in the Western District of Wisconsin earlier this year.

Genetic Technologies said it was engaged in discussions with other parties relating to the legal action and further details would be released as licence agreements were executed.

The company said it was engaged in licencing negotiations separate to the legal action. Genetic Technologies was up 1.1 cents or 39.3 percent to 3.9 cents.

LIVING CELL TECHNOLOGIES

Living Cell says its managing director Dr Ross Macdonald's salary package includes a base salary of \$290,000, \$26,100 in superannuation and a 30 percent of salary bonus.

Living Cell said the bonus was dependent on meeting agreed key performance indicators.

The company said that subject to shareholder approval at the coming annual general meeting, two tranches of 500,000 options would be granted, exercisable at five cents above the five day volume weighted average price of shares preceding the date of the employment agreement; and five cents above the five day volume weighted average price preceding the first anniversary of the commencement date of August 2, 2010.

Living Cell said the options would vest in full 12 months after their respective grant date and expire five years after the vesting dates.

Dr Macdonald was appointed on August 2, 2010.

Living Cell was unchanged at 23 cents.

NEURODISCOVERY

Neurodiscovery says that following shareholder approval of the sale of the UK-based Neurosolutions founder and executive director David McAuliffe has resigned.

The company said Mr McAuliffe remained as a consultant, ensuring further development and potential commercialization of NSL-101 and to find potential licencing opportunities.

Neurodiscovery said Mr McAuliffe remained a large and committed shareholder.

The company said Neville Bassett had been appointed as a non-executive director.

Neurodiscovery said Mr Bassett was an accountant operating a corporate consulting business, specializing in corporate, financial and management advisory services.

Neurodiscovery said Mr Bassett was a director or company secretary of a number of public and private companies.

Neurodiscovery fell 0.4 cents or 9.1 percent to four cents.