



Biotech Daily

Friday December 17, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: LBT UP 9.5%; CELLMID DOWN 9%**
- * **COMPUMEDICS SELLS 1st US NEUVO LTM TO ALABAMA FOR EPILEPSY**
- * **RUSSIA ORDERS 200 NANOSONICS TROPHON EPR UNITS**
- * **MAYNE PHARMA APPLIES FOR EU SUBACAP MARKET APPROVAL**
- * **REVA SET FOR DECEMBER 23 ASX LISTING**
- * **ITL BUYS-BACK UNMARKETABLE PARCELS**
- * **CORRECTION: BENITEC, CSIRO**
- * **RESONANCE LOSES CHAIRMAN DR STEWART WASHER; REPLACES CFO**

MARKET REPORT

The Australian stock market fell 0.44 percent on Friday December 17, 2010 with the S&P ASX 200 down 20.9 points to 4763.1 points.

Seventeen of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and three were untraded.

LBT was best, up 0.7 cents or 9.5 percent to 8.1 cents with 134,500 shares traded, followed by Compumedics up 9.1 percent to 12 cents with 24,350 shares traded.

Optiscan climbed 8.2 percent; QRX was up 6.2 percent; Phylogica and Viralytics were up more than five percent; Phosphagenics was up 4.35 percent; Psivida was up 3.1 percent; Alchemia, Cathrx, Genera, Impedimed and Sunshine Heart rose two percent or more; with Nanosonics and Universal Biosensors up one percent or more.

Cellmid led the falls, down 0.3 cents or 8.6 percent to 3.2 cents with 6.4 million shares traded, followed by Benitec down 7.4 percent to 2.5 cents with 599,049 shares traded.

Living Cell lost 6.7 percent; Circadian fell 5.7 percent; Heartware and Mesoblast shed more than two percent; with Biota, Clinuvel, Pharmaxis, Resmed and Tissue Therapies down more than one percent.

COMPUMEDICS

The University of South Alabama Medical Center long term epilepsy monitoring unit has bought Compumedics' Neuvo long term monitoring electroencephalography systems. Compumedics said the sale to the Mobile-based Medical Centre was "another major milestone in Compumedics' entry into the global \$250 million [long term monitoring] neurophysiology market and is the first major sale in the US into this market place". Compumedics said the order was worth more than \$US400,000.

The company said the Compumedics Neuvo long term monitoring (LTM) electro-encephalography (EEG) systems could record 256 individual channels of high-density, EEG data on a single patient for days or weeks at a time.

Compumedics said its digital amplifier technology was "superior to existing competitors" and provided "a unique point of differentiation as part of its entry strategy into this new market [and] ... higher quality brain recordings and more precise brain analysis could improve patient outcomes.

Compumedics said the Epilepsy Foundation estimated that more than three million people in the US were affected by epilepsy with 200,000 new cases each year, of which 10 percent could require surgical brain resections to control debilitating seizure activity. The company said there were more than 60 dedicated Epilepsy Centers in the US that provided advanced diagnostic and treatment services for epilepsy and many more hospitals that offer more limited epilepsy management services.

Compumedics said that the University of South Alabama Medical Center would also use its Neuroscan Curry software to integrate brain imaging from patients' magnetic resonance imaging and computed tomography scans with the EEG recordings, helping identify the source of epileptic seizures in preparation for surgical intervention.

The University's chair of neurology Prof Dean Naritoku said the group "evaluated solutions from other vendors but none could provide the integrated solution that Compumedics offered to help guide us in surgically treating this patient population".

Compumedics said the University of South Alabama Medical Center is an acute care hospital and a major referral center for south Alabama, southern Mississippi and the panhandle of Florida.

Compumedics said it had made significant investments in product development targeting the neuro-diagnostics market to leverage its expertise in high-end amplifier design and physiologic signal processing.

The company said that the combination of the Neuvo LTM EEG system and the Curry neuro-imaging analysis software suite made it easier for epileptologists and neurosurgeons to identify which specific regions in the brain were most likely to be the cause of severe seizure activity in an afflicted patient.

Compumedics US head of sales and marketing Jeff Kuznia, said the "overwhelmingly positive reception for Compumedics products at the annual medical conference of the American Epilepsy Society recently held in San Antonio, Texas reflects the growing appreciation for the advanced solutions Compumedics provides".

Compumedics chairman and chief executive officer Dr David Burton said that the establishment of centres of excellence such as the University of South Alabama Medical Center was "an important milestone for our company and reinforces our commitment to our customers and the patient's they serve".

"We have integrated our best of class acquisition technology with premier Curry brain analysis software to produce a degree of signals quality, coupled with analysis precision and sophistication, previously not accessible within the clinical application domain," Dr Burton said.

Compumedics was up one cent or 9.1 cents to 12 cents.

NANOSONICS

Nanosonics says it has received a commitment for 200 units of its Trophon EPR ultrasound probe disinfectant from its Russian distributor, AVA Medical for delivery in 2011. Nanosonics has said the units cost the end-consumer about \$10,000 and the company would receive "a significant part" of that amount.

The company said that following attendances at the Medica conference in Dusseldorf, and the Radiological Society of North America meeting in Chicago it had "significant interest in distribution of its launch product, the Trophon EPR in countries currently without a contracted distribution partner".

Nanosonics said that finalization of the GE distribution contract for the US & Canada was on track, with clearly identified opportunities for sales growth in regions outside of North America prior to a commercial release into the US.

Nanosonics climbed 1.5 cents or 1.7 percent to 88 cents.

MAYNE PHARMA (FORMERLY HALCYGEN)

Mayne Pharma says it has submitted a European Union marketing authorization application for Subacap, formerly known as Suba-itraconazole for fungal infection.

Mayne said Subacap was an improved version of the existing itraconazole (Sporanox) used to treat fungal infections and would target the \$US600 million itraconazole market.

Mayne said the application had been submitted via the decentralized procedure, with the United Kingdom as the reference member state and France, Germany, Spain and Sweden as the concerned member states and approval was expected to take up to 12 months.

Mayne Pharma said it expected income from Subacap sales in 2012 subject to the appointment of a marketing and distribution partner.

Mayne Pharma chief executive officer Dr Roger Aston said the application was "a significant milestone for the company".

"Mayne Pharma joins a select group of Australian companies to have filed a dossier for the registration of a new drug formulation in recent years," Dr Aston said.

Dr Aston said the EU market for itraconazole was more than \$US120 million and greater than that for the US and early EU registration meant the approved dossier could be used for faster approval in Asian and South American countries.

"Over the next few months, we will be focused on establishing suitable commercial relationships for the marketing and distribution of Subacap in Europe and elsewhere," Dr Aston said. "We will also be meeting with the FDA in early 2011 to receive guidance on further requirements for US registration, following our successful phase II trial that demonstrated Subacap will offer a safe low-dose replacement to Sporanox, a current leading treatment for fungal infections," Dr Aston said.

Mayne Pharma was unchanged at 69 cents.

REVA MEDICAL

Reva Medical has raised \$85,000,003 in its initial public offer and expects to list on the ASX at 11.30am on December 23, 2010 (BD: Dec 16, 2010).

The company will trade under the ASX code RVA.

Reva said the lead manager to the offer was Sydney investment bank Inteq with Southern Cross Securities and Taylor Collison as lead brokers.

Reva said it had issued 7,727,273 new shares of common stock representing 77,272,730 CHESS depository interests or CDIs at \$1.10 each.

Reva is a San Diego based public (as yet) unlisted company.

[BENITEC, CSIRO](#)

A headline in last night's edition 'Benitec, CSIRO delay, amend '099 Graham patent' did not accurately reflect the complex patent article to which it related.

Benitec and the CSIRO are amending a related patent to the '099 patent, not the '099 patent.

This was correctly reported in the article, which was translated into English from a combination of Legalese and Patentspeak, by the new multi-talented sub-editor, who then blotted his copybook with the misleading headline.

The sub-editor has been seconded to Sweden's Prosecutors Office in the London High Court to better understand complex legal terminology.

Benitec fell 0.2 cents or 7.4 percent to 2.5 cents.

[ITL](#)

ITL says it has established a share sale facility to buy-back unmarketable parcels of shares valued at less than \$500.

ITL said the record date was December 9, 2010, when the closing price of shares was 4.5 cents and holders of unmarketable parcels could sell their shares without incurring brokerage or broker handling costs.

The company said it would help reduce the costs of having a significant number of shareholders with unmarketable parcels on its register.

ITL executive chairman Bill Mobbs told Biotech Daily that there were about 500 of the company's 1200 investors who held unmarketable parcels.

Mr Mobbs said the buy-back was part of a review of the company to reduce costs and improve productivity.

Once bought-back, the shares can either be cancelled or held and reissued at a later time.

ITL has recently made significant changes to its board (BD: Oct 25, Nov 29, 2010).

ITL was untraded at five cents.

[RESONANCE HEALTH](#)

Resonance Health says Dr Stewart Washer has resigned as chairman and non-executive director, effective immediately.

Resonance said Dr Washer's resignation was due to his increased work commitments.

Last month, Dr Washer was appointed chief executive officer of Calzada (BD: Nov 24, 2010).

Resonance said Dr Martin Blake had been appointed chairman and had been a non-executive director for the past three years.

The company said that Eva O'Malley had also resigned from the position of chief financial officer and company secretary, effective immediately and had been replaced by Colin McDonald, an experienced chief financial officer and company secretary.

Resonance was unchanged at two cents.