



# Biotech Daily

Friday February 12, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN:  
UNIVERSAL BIOSENSORS UP 9%; PHOSPHAGENICS DOWN 8%**
  
- \* **SWEDISH 10-YEAR STUDY SUPPORTS IMPEDIMED CARE MODEL**
  
- \* **NANOSONICS REVENUE UP, LOSS DOWN; APPOINTS RICHARD ENGLAND**
  
- \* **NEW ZEALAND GRANTS \$3.17m FOR LIVING CELL TRIAL**
  
- \* **BIOASIA INVESTMENTS CEASED SUBSTANTIAL IN NEUREN IN 2008**

## MARKET REPORT

The Australian stock market was up 0.17 percent on Friday February 12, 2010 with the S&P ASX 200 up 7.8 points to 4562.1 points.

Ten of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and six were untraded.

Universal Biosensors was best, up 15 cents or 9.4 percent to \$1.75 with 16,428 shares traded, followed by Living Cell up 5.3 percent to 20 cents with 444,899 shares traded.

Prana and Viralytics climbed more than three percent; Cellestis, Chemgenex, Resmed and Starpharma rose more than two percent; with Sirtex up 1.9 percent.

Phosphagenics led the falls, down one cent or 10 percent to nine cents with 10.8 million shares traded followed by Novogen down 9.1 percent to 50 cents with 17,207 shares traded.

Phylogica and Tissue Therapies lost eight percent or more; Cellmid was down 6.1 percent; Antisense was down 5.45 percent; Benitec, Mesoblast and Optiscan fell more than four percent; Avexa was down 3.7 percent with 1.9 million shares traded; Compumedics shed 2.6 percent; with Alchemia, Bionomics, Cochlear and Impedimed down more than one percent.

## IMPEDIMED

Impedimed says a Swedish study has shown diagnosis and treatment using the current diagnostic standards could maintain, but not improve a low level of lymphoedema. Impedimed said the study showed that patients were still left with irreversible lymphoedema for up to 10 years even with regular care.

The company partly funded the 10-year follow up study on patients who were diagnosed with breast cancer-related lymphoedema using the current diagnostic standard.

Impedimed said that the impact of “even a low level of lymphoedema can be significant on a patient’s quality of life and extremely costly to both the healthcare system and society at large, with both direct medical costs and the indirect costs associated with the loss of function attributed to breast cancer-related lymphoedema.

The study recommended the improvement of objective measures for the early assessment of breast cancer-related lymphoedema.

Impedimed said the study, entitled ‘Arm lymphoedema in a cohort of breast cancer survivors 10 years after diagnosis’ was published in Sweden’s ‘Acta oncologica’ and was supported by grants from the Swedish Cancer Foundation and Impedimed.

An abstract is at: <http://www.ncbi.nlm.nih.gov/pubmed/20100154>.

Impedimed said it a significant long term study to evaluate incidence, time of onset, progression or regression and associated factors 10 years after breast cancer diagnosis. Impedimed chief executive officer Greg Brown said that the importance of the study “cannot be underestimated”.

“It is a key long term study that demonstrates that when lymphoedema is diagnosed with today’s standards in a reactive care model, it can be often too late for bringing patients back to preoperative levels,” Mr Brown said.

“The lymphoedema in this study remained even after 10 years of chronic long term care,” Mr Brown said.

“This study also highlights the significance of the landmark study by Stout et al, conducted at the US National Institutes Of Health and published in the journal Cancer in June 2008,” said Mr Brown (BD: Jun 12, 2008).

“Using perometry and a preoperative and prospective surveillance approach or pre-emptive care, as opposed to one of treating the lymphoedema when visible, the investigators were able to demonstrate that compression garments effectively treated very early or subclinical lymphoedema,” Mr Brown said.

“None of the patients demonstrated progression of the condition and all were brought back to preoperative levels in the follow up period,” he said.

“While the follow up period was only short, it does show that pre-emptive care model can aid in the earlier detection and treatment of [breast cancer-related lymphoedema]” Mr Brown said.

Mr Brown told Biotech Daily that he was frequently asked why post-breast cancer operative patients don’t wear compression garments as a standard preventative measure. He said that the compression level was significant and uncomfortable which could be sustained for a two-week treatment period, but would have poor compliance as a permanent measure.

Mr Brown also said that a permanent compression garment reminded women of their cancer when they were often trying to get on with their lives.

Impedimed said its L-Dex devices were the only ones with US, European and Australian regulatory approval to offer “simple point of care, standardised and objective metrics to aid in the clinical assessment of lymphoedema”.

The company said the study would be “a pivotal consideration” for reimbursement.

Impedimed fell one cent or 1.7 percent to 59 cents.

## NANOSONICS

Nanosonics earned \$566,000 from sales of its Trophon EPT ultrasound probe disinfectant in the six months to December 31, 2009, reducing its loss by 4.1 percent to \$4,152,000. Nanosonics began sales of the disinfectant in March 2009 and posted sales of \$309,000 for the six months to June 30, 2009 (BD: Mar 30, 2009).

Nanosonics chief financial officer Chris Grundy said the sales figures were comparable invoiced sales but not all the funds were received at the end of the period.

Total revenue including interest and grants fell 0.2 percent to \$815,000 for the six months to December 31, 2009, with net tangible assets per share up 3.5 percent to 10.78 cents.

Nanosonics says Richard England will replace David Slack as a non-executive director with effect from February 5, 2010.

Nanosonics said Mr England had more than 30 years experience in accounting and financial services, healthcare and biotechnology sector.

Mr England was previously chairman of Gropep which was acquired by Novozymes AS and was a director of ITL Ltd and was currently chairman of Ruralco and Chandler Macleod Group and a director of Healthscope and Choiseul Investments.

Nanosonics was up half a cent or 0.9 percent to 57 cents.

## LIVING CELL TECHNOLOGIES

The New Zealand's Foundation for Research Science & Technology has awarded Living Cell \$NZ4.04 million (\$A3.17 million) to develop Diabecell for type 1 diabetes.

Living Cell said the funds from the Government grant would be available over two years to support the ongoing development of the encapsulated porcine islets of Langerhans cells.

Living Cell's chief executive officer Dr Paul Tan said that "positive clinical data from our early phase I/IIa trials compels us to address future market demand and further develop our manufacturing capability as part of the commercialization program for Diabecell".

"This grant contributes to the investment required to increase production of Diabecell to commercial scale and the cost of the New Zealand clinical trial currently underway with Diabecell," Dr Tan said.

The company said the specific projects supported by this grant relate to scaling-up the bio-processing of cells, the commercial manufacture of alginate gel and commercial encapsulation methods, technologies essential in the manufacture of Diabecell and applicable for encapsulating other cell products in the company's pipeline.

Living Cell was up one cent or 5.3 percent to 20 cents.

## NEUREN PHARMACEUTICALS

In a series of four notices to the ASX Bioasia Investments said it ceased its substantial shareholding in Neuren on November 25, 2008.

Bioasia of Palo Alto California said that it sold its last parcel of shares for four cents a share and all four notices were for sales between May and November 2008, in which period Bioasia reduced from 19,546,572 shares (8.89%) to below five percent.

Neuren was unchanged at 3.6 cents.