



Biotech Daily

Monday February 22, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PRIMA UP 13%; PHYLOGICA DOWN 9%**
- * **FEDERAL GOVERNMENT'S \$38m FOR NANOTECH, BIOTECH**
- * **ADVANCED SURGICAL H1 PROFIT \$51k, ON REVENUE UP 41% TO \$4m**
- * **RESONANCE 14% H1 REVENUE FALL TURNS PROFIT TO LOSS**
- * **STARPHARMA EGM ON 2.2m SHARES FOR CEO DR JACKIE FAIRLEY**
- * **ORBIS INCREASES 1% IN CHEMGENEX TO 10%**
- * **SYDNEY HOSTS NANOTECHNOLOGY CONFERENCE**
- * **BIOPROSPECT REQUESTS 'MATERIAL AGREEMENT' TRADING HALT**

MARKET REPORT

The Australian stock market climbed 1.78 percent on Monday February 22, 2010 with the S&P ASX 200 up 82.4 points to 4717.5 points.

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

Prima was best, up two cents or 12.9 percent to 17.5 cents with 7.96 million shares traded, followed by Nanosonics up 6.5 percent to 57 cents with 262,850 shares traded.

Sunshine Heart climbed 5.9 percent; Tissue Therapies was up 4.35 percent; Patrys and Prana were up more than three percent; Acrux, Benitec, Biota, CSL, Genetic Technologies, Living Cell, Pharmaxis, Sirtex and Universal Biosensors rose more than two percent; with Alchemia and Chemgenex up more than one percent.

Phylogica led the falls, down 0.8 cents or 9.0 percent to 8.1 cents with 44,000 shares traded, followed by QRX down 5.7 percent to 83 cents with 435 shares traded.

Cellestis and Circadian lost more than four percent; Avexa, Clinuvel and Viralytics were down more than three percent; Impedimed and Phosphagenics shed more than two percent; with LBT down 1.1 percent.

FEDERAL GOVERNMENT

The Federal Government says it is introducing a national framework to guide the safe development of new technologies such as nanotechnology and biotechnology.

A media release from the Department of Innovation said the national framework announced in the May 2009 Federal Budget as part of a \$38.2 million National Enabling Technologies Strategy.

The media release said the strategy provided a framework with three funding components of \$10.6 million to support policy and regulatory development, industry uptake, international engagement and strategic research; \$9.4 million for public awareness and community engagement to increase understanding of enabling technologies; and \$18.2 million for the National Measurement Institute to improve measurement infrastructure, standards and expertise and ensure that Australia leads the way internationally.

Innovation Minister Senator Kim Carr said that technologies like nanotechnology and biotechnology "have enormous potential, but we can only realize that potential with the community's support".

"Health, safety and environmental protection are paramount for the Government," Senator Carr said. "This strategy is about ensuring we meet the highest standards while at the same time maximizing opportunities to develop these cutting-edge technologies."

"These technologies promise to give us breakthrough medicines, faster computers, new bio-fuels, stronger and lighter materials, better solar cells, more abundant and nutritious food, purer water, and much more besides," he said.

"They will be worth trillions in the years ahead," Senator Carr said. "It is essential that Australia has a stake in this market."

The media release said a stakeholder advisory council would advise on the implementation of the strategy and an expert forum for enabling technologies would monitor emerging trends.

The media release said the strategy was part of the Federal Government's \$1.1 billion 'Super Science Initiative' and was at: www.innovation.gov.au/enablingtechnologies.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical says its net profit after tax for the six months to December 31, 2009 was up 105.3 percent to \$51,000 on revenue up 40.7 percent to \$3,972,000.

Advanced Surgical said the increase in revenue "was a result of an earlier completion of the sale of intellectual property relating to the Active Uni-Compartmental Knee to Stryker during the period" (BD: Oct 30; Dec 2, 3, 2009) for \$1.28 million.

No dividend will be paid, diluted earnings per share was 0.1 cents and net tangible assets per share was down 3.93 percent to 22.27 cents.

Advanced Surgical fell two cents or 3.85 percent to 50 cents.

RESONANCE HEALTH

Resonance Health says its net loss after tax for the six months to December 31, 2009 was \$92,000 compared to a first half after tax profit of \$294,000 in 2008.

Resonance said revenue, primarily from its liver scan tests, fell 14 percent from \$1,084,000 to \$932,000 for the six months to December 31, 2009.

Resonance said the half year results "were in line with expectations" and "was due in part to the worsening of the exchange rate as most revenue is received in US [dollars]".

No dividend will be paid. Net tangible assets per share was steady at 0.8 cents.

Resonance climbed 0.1 cents or 3.6 percent to 2.9 cents.

STARPHARMA

Starpharma shareholders will vote on the issue of 1,428,571 shares and 750,000 rights to acquire shares to chief executive officer Dr Jacinth Fairley.

The extraordinary general meeting will consider a single resolution on the issue of shares to Dr Fairley, following the withdrawal of an annual general meeting resolution granting 1.9 million "appreciation shares" to Dr Fairley (BD: Oct, 12, 29, 2009).

At that time Starpharma said employee share scheme legislation introduced into Federal Parliament would have unfavorable tax implications for Dr Fairley.

Starpharma said today the taxation issue had been resolved and, pending shareholder approval, Dr Fairley would be issued the shares and rights to shares, subject to continued employment and "the satisfaction of certain performance hurdles over a specified period".

The meeting will be held at Norton Rose, Level 15, RACV Tower, 485 Bourke Street, Melbourne on March 25, 2010 at 4pm.

Starpharma was up half a cent or 0.7 percent to 75 cents.

CHEMGENEX

Orbis Investment Management has increased its substantial shareholding in Chemgenex from 25,298,780 shares (8.94%) to 28,276,609 shares (9.98%).

Orbis said most of the shares were bought after February 9, 2010 when the share price fell from 84.5 cents to 68 cents on news that the US Food and Drug Administration had questioned some of the company's data, ahead of an oncologic drugs advisory committee (ODAC) meeting (BD: Feb 9, 2010).

The meeting was postponed due to bad weather in Washington DC and has not yet been rescheduled.

Chemgenex was up one cent or 1.5 percent to 68.5 cents.

NANOTECHNOLOGY CONFERENCE

The 2010 International Conference on Nanoscience and Nanotechnology starts tomorrow at the Sydney Convention and Exhibition Centre.

A media release from Science In Public said speakers included IBM's Stuart Parkin who will discuss using the spin of electrons to store information as a key to "massive increases in computer storage" memory that means computers are instantly on and never forget.

Food Standards Australia and New Zealand's Andrew Bartholomaeus will talk about nanoparticles in food and that much of our food naturally contains nanoparticles.

Most subjects relate to physical sciences, solar panels and computing but the Australian National University's Tom Faunce will discuss the potential of nanotechnology to contribute to public health and the need for good regulation to deal with safety concerns.

Other subjects include, nano-gold for cancer tests and purifying water.

More information about ICONN 2010 is at <http://www.ausnano.net/iconn2010>.

A free public forum will be held in Sydney tomorrow night at 6pm chaired by ABC-Television the New Inventors James O'Loghlin.

The forum will explore how a nanotech product finds its way through development, regulation, commercialization and use, with panel members including from Australian Institute for Bioengineering and Nanotechnology scientist: Prof Matt Trau; Australian Centre for Human Health Risk Assessment regulator Prof Brian Priestly; Panbio chief executive officer Dr Stuart Hazell and the Consumer Health Forum's Tricia Greenway.

The forum will be at the Bayside Auditorium A, Sydney Convention Centre Darling Harbour. For more information call Technyou Information Service, 1800 631 276.

BIOPROSPECT

Bioprospect has requested a trading halt pending an announcement “pertaining to a material agreement”.

Trading will resume on February 25, 2010 or on an earlier announcement.

Bioprospect last traded at 2.6 cents with 1.4 million shares traded.