



# Biotech Daily

Wednesday February 24, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: QRX UP 13%; OPTISCAN DOWN 9%**
- \* **HEALTHLINX UP 138% ON OVPLEX LONDON LAUNCH**
- \* **UNIVERSAL BIOSENSORS' MAIDEN \$1.4m PROFIT; REVENUE UP 563%**
- \* **SIRTEX H1 PROFIT DOWN 17% TO \$9m, ON REVENUE UP 6% TO \$31m**
- \* **AUSTRALIAN PATENT FOR PATRYS' PAT-CM1 CANCER DRUG**
- \* **UKRAINIAN ETHICS APPROVAL FOR STIRLING'S INFLUENZA TRIAL**

## MARKET REPORT

The Australian stock market fell 1.5 percent on Wednesday February 24, 2010 with the S&P ASX 200 down 69.8 points to 4648.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and four were untraded. All three Big Caps were down.

QRX was best, up 11 cents or 12.6 percent to 98 cents with 320,532 shares traded, followed by Cathrx up 12 percent to 28 cents with 24,617 shares traded.

Patrys climbed 10.3 percent with 4.2 million shares traded; Bionomics and Phosphagenics were up more than five percent; Heartware was up 4.2 percent; Biota, Nanosonics and Psivida were up more than three percent; Antisense rose two percent; with Alchemia up 1.6 percent.

Optiscan led the falls, down 0.7 cents or 9.3 percent to 6.8 cents with 70,000 shares traded, followed by Living Cell down 8.1 percent to 17 cents with 52,000 shares traded.

Circadian, Genera and Viralytics lost five percent or more; Cellmid, Mesoblast, Novogen and Prana were down more than three percent; Benitec and Tissue Therapies shed more than two percent; with Acrux and Sirtex down more than one percent.

## HEALTHLINX

Healthlinx jumped 137.8 percent on news that its UK distributor Intus Healthcare will launch the Ovplex ovarian cancer diagnostic tomorrow, February 25, 2010, in London. Healthlinx said Intus would target "a large share of the potential 750,000 annual ovarian cancer diagnostic tests undertaken in the UK".

The company said Intus would distribute the test throughout the United Kingdom and the republic of Ireland.

Healthlinx managing director Nick Gatsios said the UK launch was "the first large scale roll out of Ovplex and Healthlinx will receive a royalty of approximately \$70 per test subject to exchange rates".

"We expect that marketing Ovplex on such a large scale will be the catalyst that will see Healthlinx target other countries and launch what we feel is a superior diagnostic for ovarian cancer to any other product available," Mr Gatsios said.

"In line with our annual report we have opened discussions in Korea, China, other European countries and we have been approached by some Central South American countries. These present strong commercial opportunities," Mr Gatsios said.

Healthlinx said that each year 240,000 new cases of ovarian cancer were diagnosed worldwide and more than 130,000 women die from the disease.

The UK region accounts for more than 7,000 of these diagnoses and 4,000 lives lost per year, the company said.

Healthlinx said that in December 2009 Intus reached an agreement with hospital and healthcare group Spire Healthcare to market and process Ovplex.

Spire's head of pathology Dr Fergus Macpherson said his network of hospitals and healthcare facilities "would make Ovplex immediately available across England, Scotland and Wales".

"Early detection of ovarian cancer is essential to boosting survival rates," Dr Macpherson said.

"Ovplex is a superior ovarian cancer test to anything in the market that we know of and we strongly encourage symptomatic women to use it," Dr Macpherson said.

Healthlinx said women could order the Ovplex test directly from Intus Healthcare ([www.ovplex.co.uk](http://www.ovplex.co.uk)) and visit a Spire location closest to them, where a small blood sample would be taken.

Healthlinx said the Ovplex test would cost STG275.00 (\$A476.00).

The company said Ovacom was a 5,000 member charity dedicated to helping the women and families affected by and susceptible to ovarian cancer and its chief executive officer Louise Bayne said Ovplex provided "a renewed hope for symptomatic women seeking a better chance of either alleviating some of their concerns or getting an early diagnosis".

"As a relevant charity, we eagerly anticipate any new diagnostic tool and the trial data on Ovplex indicates excellent potential," Ms Bayne said.

"We intend to provide some general information and a link about the Ovplex test via our website along with the other informational materials and advice services we offer our members on a day-to-day basis," Ms Bayne said.

The UK and Ireland will be the second and third territories in the world where women have access to Ovplex after the test was launched in Australia in October 2008.

Healthlinx said it expected the test to be available in Singapore and other South East Asian countries, this year.

The company said Ovplex was a superior ovarian cancer diagnostic and was focused on early stage detection "with a proven diagnostic efficiency of 92 percent".

Healthlinx climbed to 19.5 cents before closing up 9.3 cents or 113.4 percent at 17.5 cents with 65.8 million shares traded.

## UNIVERSAL BIOSENSORS

A milestone payment of \$17.5 million contributed to Universal Biosensors' maiden net profit after tax for the 12 months to December 31, 2009 of \$1,430,463.

The Johnson & Johnson Lifescan milestone payment was received in December when the company also announced the first shipment of blood glucose test strips for its diabetes test (BD: Dec 10, 2009).

The company said total revenue increased 563.3 percent to \$20,705,445 for the year to December 31, 2009 compared to \$3,121,754 for the previous year, which was primarily earned from research and development services for Lifescan.

Universal Biosensors also reported income of \$132,733 from the shipment of the first batch of test strips for the blood glucose meters.

Research and development costs of \$14,898,072 were 62.5 percent of total revenue.

Universal Biosensors said no dividend would be paid.

Diluted earnings per share was 1.0 cents, up from a loss of 8.0 cents the previous year.

Net tangible assets per share increase from 31 cents to 33 cents.

Universal Biosensors fell one cent or 0.6 percent to \$1.74.

## SIRTEX

Sirtex says its net profit after tax for the six months to December 31, 2009 fell 17 percent to \$9,125,000 on revenue up six percent to \$31,195,000.

Sirtex chief executive officer Gilman Wong told Biotech Daily that the fall in profit was due primarily to foreign exchange losses of more than \$9 million in the six months to December 31, 2009 compared to a foreign exchange gain in the previous corresponding period.

Mr Wong said unit sales were up, as was the company's operating profit.

In its media release, Sirtex said European sales were up 44 percent, US sales increased 9.8 percent and Asia Pacific sales were up 1.6 percent compared to the six months to December 31, 2008.

The company received a \$3 million payment in relation to its University of Western Australia legal action (BD: May 21, 2009).

The media release said progress in the US "was disappointing" and in December, Boston Scientific's Michael Mangano was appointed a regional president to head the US operations (BD: Jan 17, 2010).

Mr Wong told Biotech Daily he had been trying to recruit Mr Mangano for several years for his extensive US sales and marketing experience.

Sirtex did not give a full year forecast but Mr Wong said: "We're feeling very confident about the future."

A fully franked dividend of seven cents a share was paid on December 15, 2009 for the year ended June 30, 2009. No interim dividend will be paid.

Net tangible assets per share was up 42.7 percent to 77.2 cents.

Diluted earnings per share was down 16.3 percent to 16.4 cents compared to the previous corresponding period.

Sirtex fell 11 cents or 1.8 percent to \$5.97.

## PATRYS

Patrys has been granted an Australian patent for PAT-CM1, a natural human antibody that has shown promise for the treatment of solid tumors and metastases.

Patrys said PAT-CM1 could be efficacious across a number of indications including pancreatic, lung, breast and gastric cancers.

The company said the patent contained claims that cover the PAT-CM1 antibody and any potentially competitive antibodies with similar structures and functions.

Patrys said similar applications covering PAT-CM1 were pending in all major markets and the claims granted covering PAT-CM1 were similar in breadth and scope to the types of claims present in patent applications for six other Patrys lead products, including clinical candidates PAT-SM6 for colon cancer and PAT-LM1 (BD: Jun 15; Aug 24; Sep 16, 2009). The company said that as a result, the issue of the PAT-CM1 patent set a precedent for similar patent coverage in all major markets for its complete pipeline.

Patrys said the PAT-CM1 patent applications protected the compound to 2023 and as the PAT-CM1 patent application was one of the first to be filed, the life of any patents issued to protect the company's other lead products are expected to provide for an equal or longer period of protection.

Patrys chief executive officer Dan Devine said the "success in the granting of PAT-CM1 patent is an endorsement of the novelty of our products and reinforces the commercial value of Patrys' pipeline".

"As we advance our products through development and toward human clinical trials or into collaborations with larger partners, it is critical that we can protect the proprietary value of our products over the long-term," Mr Devine said.

"The issuance of the PAT-CM1 patent is a clear indication that we can obtain that type of sustainable protection," he said.

Patrys was up 1.5 cents or 10.3 percent to 16 cents with 4.2 million shares traded.

## STIRLING PRODUCTS

Stirling says it has received ethics approval for a multicenter clinical study of Immunoxel for seasonal flu.

Stirling said the "milestone brings [it] a step closer to conducting an important confirmation trial of the effectiveness of Immunoxel in treating respiratory infections".

Stirling is a distributor of Immunoxel on behalf of the Kiev-based company that owns the over-the-counter natural product.

Stirling said patient recruitment had begun and would continue through March 2010.

The company said the trial would be conducted in medical centres near Luhansk, Ukraine and involved more than 12 clinicians, "including specialists in acute respiratory disease".

Stirling fell two cents or 13.3 percent to 1.3 cents with 20.2 million shares traded.