



Biotech Daily

Thursday February 25, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: CELLMID UP 11%; BENITEC DOWN 9.5%**
- * **CHEMGENEX \$3.9m MAIDEN H1 PROFIT ON HOSPIRA MILESTONE**
- * **COMPUMEDICS H1 PROFIT DOWN 87% TO \$331k, ON REVENUE DOWN 6%**
- * **CYCLOPHARM 'RECORD' PROFIT UP 20% TO \$2m; REVENUE UP 1.9%**
- * **ELLEX H1 PROFIT UP 105% TO \$1.2m ON REVENUE DOWN 16% TO \$24m**
- * **MEDICAL DEVELOPMENTS H1 PROFIT DOWN 26%; REVENUE DOWN 4%**
- * **HEALTHLINX COMPLETES \$1.1m RAISING**
- * **BIOMD REQUESTS CAPITAL RAISING TRADING HALT**
- * **VIRAX PLEADS SCHULTZ TO ASX 37% PRICE QUERY; EGM VOTES PASS**
- * **BIOPROSPECT, SOLAGRAN PROCEED WITH ANIMAL 'BIOEFFECTIVES'**

MARKET REPORT

The Australian stock market fell 1.2 percent on Thursday February 25, 2010 with the S&P ASX 200 down 54.4 points to 4594.1 points. Eleven of the Biotech Daily Top 40 stocks were up, 21 fell, four traded unchanged and four were untraded. All three Big Caps fell.

Cellmid was best, up 0.3 cents or 10.7 percent to 3.1 cents with 2.97 million shares traded, followed by Living Cell up 8.8 percent to 18.5 cents with 50,000 shares traded.

Alchemia and Mesoblast climbed more than four percent; Acrux, Genera and Universal Biosensors were up more than three percent; with Heartware, Impedimed and Viralytics up more than one percent.

Benitec led the falls, down 0.4 cents or 9.5 percent to 3.8 cents with 782,454 shares traded, followed by Phosphagenics down 7.2 percent to 7.7 cents with 898,652 shares traded.

Bionomics, Chemgenex and Patrys lost more than six percent; Compumedics and Sunshine Heart fell more than five percent; Avexa, Circadian and Prima were down more than three percent; Antisense, Optiscan, QRX, Sirtex and Tissue Therapies shed two percent or more; with Cellestis, Clinuvel, LBT and Novogen down more than one percent.

CHEMGENEX

Chemgenex has reported its first half-year net profit after tax for the six months to December 31, 2009 of \$3,924,061 compared to the previous year's \$13,023,384 loss. Chemgenex said the total revenue of \$17,691,296 compared to \$410,047 in the six months to December 31, 2008 was primarily a \$17,497,777 commercialization agreement payment from Hospira (BD: Dec 14, 2009), but a further \$15,788 was received through 'named patient sales' – effectively direct sales to patients in France through the patients' oncologists.

Chemgenex chief financial officer and chief operating officer Dr James Campbell told Biotech Daily that named patient sales were made through an exemption provided by the French regulator and other European regulators had similar provisions.

"There can be sales if Hospira chooses to pursue named patient sales prior to regulatory approval," Dr Campbell said.

Dr Campbell said his company expected to receive regulatory approval in Europe by the end of 2010.

Research and development expenses were \$4,874,035 or a 24.8 percent reduction compared to the six months to December 31, 2008.

Chemgenex said it had cash and cash equivalents at December 31, 2009 of \$18,734,441 compared to \$13,679,319 in the previous corresponding period.

Diluted earnings per share was 1.38 cents compared to the previous year's loss of 5.70 cents a share.

Chemgenex fell 4.5 cents or 6.2 percent to 68.

COMPUMEDICS

Compumedics says its net profit after tax for the six months to December 31, 2009 fell 87 percent to \$331,000 on revenue down six percent to \$15,042,000.

Compumedics said it received orders for products of \$18 million compared to the previous corresponding period of \$17.8 million "on an equivalent currency basis" and said the fall in profit was due primarily to foreign exchange losses.

The company said it expected US Food and Drug Administration clearance for its Grael sleep diagnostic system sooner than that achieved and US sales were lower than expected (BD: Jan 22, 2010).

Compumedics said its German business increased by 227 percent to \$613,000.

No dividend will be paid. Net tangible assets per share was down 3.8 percent to 5.1 cents.

Diluted earnings per share was down 86.7 percent to 0.2 cents compared to the previous corresponding period's 1.5 cents.

Compumedics fell one cent or 5.3 percent to 18 cents.

CYCLOPHARM

Cyclopharm says its net profit after tax for the 12 months to December 31, 2009 was up 19.9 percent to \$2,044,490 on revenue up 1.9 percent to \$11,098,579.

Cyclopharm said the revenue was primarily from sales of its Technegasplus generators and patient administration sets and the \$2 million profit was a record.

Research and development costs of \$39,728 were 0.36 percent of total revenue.

Cyclopharm said no dividend would be paid.

Diluted earnings per share was 1.2 cents, unchanged from the previous year.

Net tangible assets per share was unchanged at seven cents.

Cyclopharm was up 2.5 cents or 23.8 percent to 13 cents.

ELLEX

Ellex says its net profit after tax for the six months to December 31, 2009 rose 105 percent to \$1,197,000 on revenue down 16 percent to \$25,481,000.

Ellex said sales of its ophthalmic medical equipment were down in the US, Europe and Japan and up in Australia and Asia.

No dividend will be paid.

Net tangible assets per share was down 15.4 percent to 22 cents.

Diluted earnings per share was 1.41 cents compared to the previous corresponding period's loss of 33.8 cents.

Ellex was untraded at 17.5 cents.

MEDICAL DEVELOPMENTS

Medical Developments says its net profit after tax for the six months to December 31, 2009 fell 25.8 percent to \$331,000 on revenue down 4.0 percent to \$4,161,000.

Medical Developments said sales of its methoxyflurane analgesic Penthran inhaler in the first six months were flat but the three months to December 31, 2009 averaged \$800,000 a month.

The company said the first orders had been received from the Middle East and Eastern Europe and further sales were expected.

No dividend will be paid.

Net tangible assets per share was up 1.6 percent to 6.4 cents.

Diluted earnings per share was 0.6 cents compared to the previous corresponding period's 0.8 cents.

Medical Developments was untraded at 14 cents.

HEALTHLINX

Healthlinx says that Stonebridge Securities has completed the second tranche of its \$550,000 placement at eight cents per share.

Healthlinx said the placement was the second half of the \$1.1m funding placement announced last year (BD: Nov 30, 2009).

The company said Stonebridge would place the shares with attaching options to its sophisticated investors to support the roll out of the Ovplex ovarian cancer test.

Healthlinx fell 2.5 cents or 14.3 percent 15 cents with 25.4 million shares traded.

VIRAX

Virax has told the ASX that it was not aware of any information it had not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from 9.1 cents on February 22, 2010 to 12.5 cents, a 37.4 percent increase, on February 23, 2010 but did not note an increase in trading volume.

Today, Virax said all resolutions to its extraordinary general meeting relating to share issues to directors and employee option plans were passed.

About 10 percent of proxy votes opposed three of the seven resolutions with all others passed with wider margins.

Virax was up half a cent or 4.8 percent to 11 cents with 11.2 million shares traded.

BIOMD

Biomd has requested a trading halt pending an announcement “in relation to a proposed capital raising”.

Trading will resume on March 1, 2010 or on an earlier announcement.

Biomd last traded at 4.1 cents.

BIOPROSPECT, SOLAGRAN

Bioprospect has told its related company Solagran that it will commercialize Solagran's conifer green needle extract 'Bioeffectives' in animal health.

Bioprospect has former and current Solagran personnel on its board, along with Victoria Police's Senior Sergeant Anthony Langdon and Elias Leo 'The Gun' Khouri.

Bioprospect said the agreement with Solagran and Nova Vita of August 22, 2007 gave a 30 month evaluation period for Bioprospect to undertake market and product evaluation of selected Bioeffectives.

The company said that with Solagran it had agreed to a commercialization plan including the possibility of formation of a special purpose company or other entity under a separate agreement to commercialize Bioeffectives in animal health and nutrition markets.

Bioprospect said it had “actively evaluated the Bioeffectives” including product safety and efficacy testing in both companion and food production animals.

“Of note are the recent horse trials to test the efficacy and safety of conifer green needle complex [Bioeffective A] as both an oral paste and topical gel formulation,” the media release to the ASX said.

Bioprospect said it had presented the products “to a number of potential commercial partners with the view to entering market development and distribution arrangements”.

Bioprospect was up 0.4 cents or 15.4 percent to three cents with 11.7 million shares traded.

Solagran fell one cent or 4.8 percent to 20 cents.