



# Biotech Daily

Friday January 29, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: HEARTWARE UP 8%; CATHRX DOWN 20%**
- \* **COMPUTERSHARE REPLACES STEM CELL SCIENCES (ARC) CHEQUES**
- \* **COMPUMEDICS SELLS \$729k GRAEL TO HEIDELBERG MEDICAL CENTRE**
- \* **XCEED RIGHTS ISSUE RAISES \$1m**
- \* **USPTO ALLOWS BENITEC, CSIRO GRAHAM '099-RELATED PATENT**
- \* **BIOTECH DAILY APPENDIX 4C, H1, FINAL REPORT POLICY**
- \* **GIACONDA HAS LITTLE CASH, \$250k LOAN, RAISING PLANNED**
- \* **NORWOOD ABBEY HAS ONE QUARTER CASH; CHINA COAL DEAL**
- \* **SOLAGRAN HAS ONE QUARTER CASH**
- \* **PHARMAUST CLEAN-ROOM 4 SALE**

## MARKET REPORT

The Australian stock market tumbled 2.2 percent on Friday January 29, 2010 with the S&P ASX 200 down 103.7 points to 4569.6 points.

Four of the Biotech Daily Top 40 stocks were up, 22 fell, 11 traded unchanged and three were untraded.

Heartware was best, up nine cents or 8.3 percent to \$1.18 with 90,595 shares traded, followed by Clinuvel up 4.65 percent to 22.5 cents, Cellmid up three percent to 3.4 cents with 1.9 million shares traded, Uscom up 2.8 percent, and CSL up one percent.

Cathrx led the falls, down 11 cents or 20.4 percent to 43 cents with 48,500 shares traded, followed by Patrys down 17.5 percent to 16.5 cents with 3.65 million shares traded.

Avexa and Living Cell lost more than nine percent; Circadian, Psivida and Tissue Therapies fell more than seven percent; Sirtex and Universal Biosensors were down more than six percent; Biota fell 4.3 percent; Chemgenex, Nanosonics, Prana, Prima and QRX were down more than three percent; Cochlear, Genetic Technologies and Sunshine Heart shed more than two percent; Cellestis and Resmed were down more than one percent; with Acrux down 0.99 percent.

### STEM CELL SCIENCES ASSET REALISATION CO

Computershare is expected to replace all the UK-based payments to shareholders of the Asset Realisation Co (formerly Stem Cell Sciences) with Australian-based cheques. Biotech Daily uncovered the problem last week when banks refused to accept the UK-based Australian dollar cheques without an Australian reference bank (BD: Jan 22, 2009). Biotech Daily raised the issue with Computershare in Australia and the UK which was distributing the proceeds of the company's winding-up. There are about 230 shareholders with effectively worthless cheques.

The Bendigo Bank said it would cost about \$120 to process a cheque with a face value of \$150 and the Commonwealth Bank said it would not process cheques of that sort for amounts less than \$300. About 230 investors are entitled to payments of less than \$300. Today, Biotech Daily was told that Computershare would simply scrap the previous cheques and replace payments to all the 530 Australian-based investors in the failed company with Australian-based cheques.

### COMPUMEDICS

Compumedics says Germany's Heidelberg University Medical Centre in Mannheim has bought a Grael HD-PSG sleep-diagnostic system for EUR466,000 (\$A728,661).

Compumedics said the contract included its Somté PSG V2 sleep diagnostic system and the equipment was due to be delivered in March 2010.

Last week, Compumedics received US Food and Drug Administration market clearance for the Grael high definition polysomnography/electroencephalography (HD-PSG) sleep diagnostic amplifier system, which the company described as the world's first high definition PSG/EEG amplifier (BD: Jan 22, 2010; June 3, 2009).

The company said the University Medical Centre was the teaching hospital and its sleep-diagnostic centre was "one of Europe's leading sleep centres".

Compumedics said that winning the new business at the Mannheim sleep-centre, which was an existing customer, was "another major milestone for the Compumedics' direct-sell strategy for its Germany-based sleep diagnostics business".

Compumedics said the decision to choose its Grael system over products from major competitors was driven by Grael "offering the features and flexibility to meet ... demanding research applications while providing ... exceptional signal quality in any clinical lab".

Compumedics executive chairman David Burton said the installation was a "significant milestone" in the strategy to expand its core sleep-diagnostic business in Europe.

Compumedics was unchanged at 20 cents.

### XCEED CAPITAL

Xceed Capital's one-for-one entitlements issue has raised \$1 million through the issue of 100,000,000 shares at one cent each.

Xceed said the entitlement issue was "strongly supported" by shareholders raising \$619,403.10 before issue costs with applications subscribing for 61,940,310 shares, representing a take up of 61.9 percent.

The company said the underwriter had taken up \$300,000 of the shortfall and the balance of the shortfall 7,963,116 shares had been taken up by shareholders giving the company a total issued share capital to 200,000,000 shares.

Xceed said the shares would be allotted and holding statements dispatched to shareholders, on or before February 2, 2010.

Xceed closed down 0.2 cents or 10.5 percent at 1.7 cents.

### [BENITEC, CSIRO](#)

Benitec says the United States Patent and Trademark Office has allowed a patent related to the Graham '099 patent currently under reexamination.

Benitec chief executive officer Sue MacLeman told Biotech Daily that the allowance of US patent application 10/646,070 was "good news" for her company, which with the Commonwealth Scientific and Industrial Research Organization has been involved in a long running series of legal and bureaucratic actions over the original Graham '099 patent. Ms MacLeman said the original patent was called the Graham '099 patent as an abbreviation of its original filing number, 6,573,099.

Benitec said the patent application allowed by the USPTO on January 27, 2010 was "directed towards a double-stranded synthetic gene comprising multiple copies of a structural gene region having a nucleotide sequence which is identical to a nucleotide sequence of a target gene in a eukaryotic cell".

Benitec said the "multiple copies of structural gene region are separated by a sequence of nucleotides that is 50-100 or 100-500 nucleotides in length".

"Benitec and CSIRO are pleased to have made progress with this application and remain committed to achieving allowance of the other pending US continuation applications in the '099 patent family," Ms MacLeman said in a media release to the ASX.

Benitec was unchanged at four cents.

### [BIOTECH DAILY APPENDIX 4C, H1, FINAL REPORT POLICY](#)

Biotech Daily has a policy of only reporting Appendix 4Cs of companies with less than two quarters cash, a rough guide to whether the company is a "going concern" or not.

It is pleasing to see this reporting season that there are noticeably fewer biotechnology companies in this category and many with more than a year of cash in the bank.

Some companies make it clear that although they have less than two quarters cash that they have recently raised funds or have loans or other arrangements.

If it is obvious from the announcement, Biotech Daily will not report these companies.

Where extra available funds are unstated or ambiguous, Biotech Daily will follow-up and report on the companies.

As for half-yearly and preliminary final reports, Biotech Daily has taken the view that biotechnology companies losing money is not news in its own right.

We report on companies with maiden revenues from sale of product even if they still have losses, as an indicator of potential and we report on companies making profits.

Companies earning revenue from grants or interest are not included in this group.

**David Langsam**  
**Editor**

### [GIACONDA](#)

Giaconda says its net operating cash burn for the three months to December 31, 2009 was \$137,000 with cash at the end of the quarter of \$18,000.

Giaconda said it had an undrawn \$250,000 loan facility and was continuing efforts to licence its intellectual property and raise funds.

The company said its directors would "continue to provide interest free loans to the company until these activities have reached fruition".

Giaconda was untraded at six cents.

### NORWOOD ABBEY

Norwood Abbey says its net operating cash burn for the three months to December 31, 2009 was \$342,000 with cash at the end of the quarter of \$425,000.

Norwood said it was continuing with a back door listing for China's Sino-Excel Energy with a proposal for shareholders expected by April 2010.

Norwood Abbey was untraded at 0.6 cents.

### SOLAGRAN

Solagran says its net operating cash burn for the three months to December 31, 2009 was \$2,296,000 with cash at the end of the quarter of \$2,456,000.

Solagran provided no further information.

Solagran was unchanged at 24 cents.

### PHARMAUST

Pharmaust says it has a clean-room for sale that was previously Australian Therapeutic Goods Administration approved.

Last week Pharmaust said it had completed the sale of its Welshpool, Western Australia property for \$2,700,000 (BD: Jan 18, 2010) and was "completely debt free".

Pharmaust director and company secretary Sam Wright told Biotech Daily that although the property had been sold the clean-room could be completely dismantled and sold separately.

The company said the clean-room was previously TGA approved and licenced to manufacture:

- (a) Drugs in liquid and semi-solid form;
- (b) Drugs in capsule form – Asthmastop only; and
- (c) Packaging, quality control and release of powders and herbal teas.

Mr Wright said Pharmaust was looking to dismantle the clean-room with a view to sell. He said the clean room had steel frame walls with metal sheeting and insulation, suspended vapor lighting, inbuilt aluminium vents and ducted air-conditioning.

Enquiries should be directed to Mr Wright at [sam@pharmaust.com](mailto:sam@pharmaust.com) or telephone +618 9380 6550.

Pharmaust was untraded at 4.1 cents.