



Biotech Daily

Monday July 19, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: OPTISCAN UP 10%; PRANA DOWN 12%**
- * **CSIRO, COGSTATE FOCUS ON EARLY ALZHEIMER'S DETECTION**
- * **US FDA CLEARANCE OF KARMELSONIX WHOLTER RECORDER**
- * **THORNEY, TIGA QUIT ITL, LOSING \$4.2m**
- * **BPH TELLS ASX: OIL, GAS EXPLORATION MAY HAVE PUSHED PRICE**
- * **PRANA EGM ON 225m SHARES**
- * **ACUVAX APPOINTS RM CAPITAL FOR PLACEMENT, RIGHTS ISSUE**

MARKET REPORT

The Australian stock market fell 1.46 percent on Monday July 19, 2010 with the S&P ASX 200 down 64.4 points to 4358.3 points.

Four of the Biotech Daily Top 40 stocks were up, 21 fell, seven traded unchanged and eight were untraded.

Optiscan was best, up half a cent or 10 percent to 5.5 cents with 120,400 shares traded, followed by Sunshine Heart up 0.2 cents or 6.1 percent to 3.5 cents with 40,065 shares traded and Clinuvel up two percent to 25.5 cents.

Prana led the falls, down two cents or 11.8 percent to 15 cents with 252,000 shares traded, followed by Bone and Cathrx, both down 11.1 percent to eight and 24 cents, respectively, on small volumes.

Living Cell lost 9.8 percent; Phosphagenics fell 6.7 percent; Tissue Therapies was down 5.3 percent; QRX fell 4.55 percent; Bionomics, Nanosonics and Universal Biosensors were down more than three percent; Alchemia, Biota, Chemgenex and Viralytics shed more than two percent; with Acrux, Cochlear, Heartware, Pharmaxis and Virax down more than one percent.

CSIRO, COGSTATE

The Commonwealth Scientific and Industrial Research Organisation is leading a multi-disciplinary team to better understand early Alzheimer's disease detection.

The director of CSIRO's Preventative Health Flagship Prof Richard Head told Biotech Daily that a 1,000 patient study was underway integrating magnetic resonance imaging for brain structure, positron emission tomography to identify plaques associated with Alzheimer's disease, as well as Cogstate's cognitive testing, lifestyle measures and biomarker analyses.

Prof Head said that the Australian Imaging Biomarkers and Lifestyle Flagship Study of Ageing collaboration included the CSIRO, Victoria's Mental Health Research Institute, the University of Melbourne's Ageing Research Institute, Austin Health and Western Australia's Edith Cowan University.

"The imaging component alone has potentially brought forward the detection of Alzheimer's disease by 18 months," Prof Head said in a CSIRO media release.

Prof Head said the group presented at the International Conference on Alzheimer's disease in Hawaii last week identifying advances in imaging and blood screening that would contribute to the earlier detection of Alzheimer's.

He said the aims of the Australian Imaging Biomarkers and Lifestyle Flagship were to improve early detection and intervention, with key measures around cognitive decline and pathology.

Prof Head said that the integrative approach using different imaging tools and CSIRO's information technology produced three-dimensional images.

Prof Head said there was a great deal of focus on specific regions of the brain, especially the hippocampus.

Dr Olivier Salvado with CSIRO's Information and Communications Technology division in Brisbane told Biotech Daily that his group was charged with combining the magnetic resonance imaging and positron emission tomography with computer programs to create three dimensional images and assess relative sizes of brain regions.

Dr Salvado said that although the Alzheimer's plaques were in the cortex of the brain there was a correlation between plaque formation and shrinking of the hippocampus, which was the first part of the brain to begin shrinking.

"We are still trying to make sense of it," Dr Salvado said.

Prof Head said that the 1,000 subjects aged more than 60 years in Western Australia and Victoria had been screened to include those with mild cognitive impairment, patients clinically diagnosed with Alzheimer's disease and healthy individuals.

All had been assessed at 18 months and a second round of assessment at 36 months had begun and that data was in the process of being gathered and collated.

Prof Head said the intention was to understand what interventions, diet, lifestyle and cognitive activity could affect patients.

"It means bringing together combinations of people who don't usually come together," Prof Head said.

In a media release CSIRO said that about 250,000 Australians had Alzheimer's disease, but numbers were expected to rise to 1.3 million in the next 40 years if there were not significant breakthroughs in prevention and treatment of the disease.

CSIRO said it initiated the national collaborative approach taken by Australian Imaging Biomarkers and Lifestyle Flagship scientists which had resulted in 22 research papers being accepted and presented at the conference in Honolulu.

Cogstate was untraded at 25 cents.

KARMELSONIX

Karmelsonix says the US Food and Drug Administration has granted 510k market clearance for the Wholter Recorder.

Karmelsonix said the Wholter Recorder was its “third acoustic respiratory monitoring product”, along with the Pulmotrack and the Personal Wheezometer for home asthma management.

The company said the market potential for Wholter tests was about eight million tests a year and with a 0.2 percent penetration, expected average reimbursement of \$250 per test and a 50 percent margin for the company, gross revenue from this activity was expected to be about \$US2.0 million with receipts of at least \$US1 million.

Karmelsonix was unchanged at 1.9 cents with 1.4 million shares traded.

ITL

Thorney Investments and TIGA Trading (formerly Thorney Investments) have sold their holding in medical device and procedure pack producer ITL.

In May 2007, Thorney became substantial in ITL with 9,505,000 shares or 7.71 percent of the company for \$4,967,500 or an average price of 52.3 cents a share.

Today, Thorney said it had acquired a further 16,340 shares at 30.6 cents a share in October 2007, but sold the entire holding of 9,521,340 shares between February 26, 2009 and July 16, 2010 for \$733,098 or 7.7 cents a share.

ITL was untraded at 7.7 cents.

BPH CORPORATE

BPH (formerly Biopharmica) has told the ASX that executive director David Breeze has been briefing stock brokers and investors on its offshore drilling projects.

The ASX said the company's share price rose from eight cents on July 12, 2010 to 10.5 cents, a 31.25 percent increase, on July 19, 2010, and noted an increase in trading volume.

BPH has a small investment in its Cortical Dynamics spin-out and has a major interest in Molecular Discovery Systems, which in turn holds several biotechnology assets.

BPH was up 0.2 cents or 2.1 percent to 9.8 cents with 7.8 million shares traded.

PRANA BIOTECHNOLOGY

Prana investors will vote to ratify a 225,000,000 share placement, approve director participation in the placement and ratify the prior issue if 7,064,749 shares to Quintiles.

Prana announced the placement through Southern Cross Equities last month to raise funds for fund “a definitive phase II clinical trial of its lead Alzheimer’s disease drug PBT2” (BD: Jun 28, 2010).

Prana said at that time that the clinical research provider Quintiles had been “intimately involved with Prana for a number of years and acted as the clinical research partner for Prana’s last successful clinical trial” and would acquire 7,064,749 shares at 16.24 cents a share raising \$1.15 million and would subscribe for a separate \$US1 million (\$A1.15 million) worth of shares in the placement.

The meeting will be held at Giorgios, 1235 High Street, Armadale, Victoria on August 17, 2010 at 11am.

Prana fell two cents or 11.8 percent to 15 cents.

ACUVAX

Acuvax says it has appointed RM Corporate Finance as lead manager for a placement and the placement of the shortfall from a non-renounceable rights issue.

Acuvax said the capital raising would be a three stage process, with a placement to professional and sophisticated investors for up to 80,000,000 new shares, a non-underwritten one-for-one non-renounceable rights issue and the placement of the shortfall of the rights not taken up by shareholders under the rights issue.

The company said each stage of the raising would be at 0.2 cents a share.

Acuvax said that "on the assumption of the successful completion of the 80,000,000 new shares under the placement and all shares available under the rights issues being either taken up by shareholders or placed under the shortfall facility" it would have about \$1.7 million in available working capital and 1,556,857,340 total issued shares.

Acuvax was untraded at 0.4 cents.