



Biotech Daily

Wednesday July 28, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: LBT UP 11%; COMPUMEDICS DOWN 13%**
- * **EASTLAND SAYS ARTIMIST 'BETTER, CHEAPER THAN I-V QUININE'**
- * **PATRY'S ACQUIRES ANTIBODY PAM-1**
- * **RESONANCE SEEKING MRI LIVER FAT, FIBROSIS PARTNER**
- * **AVITA LOSS DOWN 61% TO \$1.8m; REVENUE UP 31% TO \$4.4m**
- * **FLUOROTECHNICS HAS ONE QUARTER CASH; CAPITAL RAISING**
- * **BENITEC HAS LESS THAN ONE QUARTER CASH; CONVERTIBLE NOTE**
- * **AGENIX VOTES ON 1.1b SHARE ISSUES; DIRECTOR**
- * **PRIMA PLAYS MUSICAL CHAIRS; ATA GOKYILDIRIM RESIGNS**

MARKET REPORT

The Australian stock market climbed 0.72 percent on Wednesday July 28, 2010 with the S&P ASX 200 up 32.5 points to 4529.9 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 13 fell, five traded unchanged and seven were untraded.

LBT Innovations was best, up 0.7 cents or 11.1 percent to seven cents with 70,800 shares traded, followed by Phylogica up 7.1 percent to 7.5 cents with 140,000 shares traded.

Acrux, Alchemia, Living Cell and Nanosonics climbed more than four percent; Biota was up 3.5 percent; Cellestis, Clinuvel, Heartware, Pharmaxis and Universal Biosensors rose two percent or more; with Circadian, Impedimed, Mesoblast and Resmed up more than one percent.

Compumedics led the falls, down two cents or 13.3 percent to 13 cents with 50,051 shares traded, followed by Bionomics down two cents or 6.25 percent to 30 cents with 31,141 shares traded.

Patry's lost five percent; Cathrx fell 4.8 percent; Benitec, Novogen and Prana were down more than three percent; Tissue Therapies shed 2.7 percent; with Chemgenex, Cochlear Optiscan and Starpharma down more than one percent.

EASTLAND MEDICAL SYSTEMS

Eastland executives say their sub-lingual Artimist paediatric malaria treatment is cheaper, more effective and easier to use than injected quinine.

Primarily targeting Africa, Eastland chief executive officer Dermot Patterson told a Melbourne investor lunch organized by Monsoon Communications that "one child dies every 30 seconds mainly due to delayed administration of effective treatment".

Eastland director and the inventor of the sub-lingual technology Calvin Ross said that malaria was the world's greatest killer" and particularly so for poorer people in rural Africa where mothers frequently had to walk for 15 hours to reach a clinic.

The company presented data from its 30-patient Rwandan phase IIa trial that showed six sub-lingual sprays of 6mg Artimist reduced parasite counts to zero in 24 hours, compared to 21 intravenous doses of quinine taking 30 hours to reduce parasite counts to zero.

Mr Ross said that apart from intravenous quinine costing \$US25 a course, which he says was about double that of Artimist, it required the facilities to provide intravenous administration, whereas patients on Artimist could attend the clinic without requiring a bed. Mr Ross said sub-lingual sprays could be administered in villages more easily than quinine.

Mr Patterson said issues involving founding director Doug Sims and Berlin Pharma were "cocooned" and not material to Eastland.

Mr Patterson said the company hoped to begin its 150 patient, phase III trial in Rwanda, Uganda, Tanzania and Ghana by the end of 2010.

Eastland was up 0.3 cents or 6.4 percent to five cents with 1.1 million shares traded.

PATRYS

Patrys says it has acquired PAM-1, a promising anti-cancer therapeutic candidate from the Swiss-based Debiopharm Group of an undisclosed amount.

Patrys said PAM-1 was a human antibody which had been shown to effectively kill a number of different types of cancer, including significantly reducing gastric and pancreatic tumors in animal models of human cancer, with no adverse side effects.

The company said PAM-1 was discovered by Germany's Oncomab GmbH whose natural human antibody technologies and assets were acquired by Patrys in 2007.

Patrys said that at the time of the acquisition, Oncomab had sold the rights to its most mature products, PAM-1 and SC-1, to Debiovision, which was part of the Debiopharm Group.

Patrys said SC-1 was a natural human antibody that had been shown to give gastric cancer patients a significant survival benefit in a clinical trial and was acquired by Patrys in October 2009.

Patrys chief executive officer Dan Devine said in a media release to the ASX that PAM-1 was "already an exciting product that will further benefit from our industry leading expertise in the natural human antibody space".

"SC-1 gave us a product with positive data from a human clinical trial, so that acquisition transformed Patrys into a clinical stage company," Mr Devine said.

"With the acquisition of PAM-1, a very promising [immunoglobulin G] antibody, we have further enhanced the diversity and depth to our pipeline," Mr Devine said.

Patrys said that the financial and other terms of the deal were confidential, "but reflect typical terms for transactions of these types including payments that are weighted toward later stage clinical development and royalties on commercial sales".

Patrys said PAM-1 and SC-1 have been re-named PAT-PA1 and PAT-SC1, respectively. Patrys fell half a cent or five percent to 9.5 cents.

RESONANCE HEALTH

Resonance says it is “actively seeking partners to fund and further develop its MRI based tests for measuring liver fibrosis and liver fat”.

Resonance chairman Dr Stewart Washer told Biotech Daily that the company had reanalyzed the data from its preliminary work on its magnetic resonance imaging (MRI) liver fibrosis and fat tests “from the point of view of potential partners” and believed the results were better than first thought.

Dr Washer said Resonance was in discussion with several potential partners and seeking other potential partners for the next stage of development.

Resonance said it had “strong support from the clinical community for the preliminary results”.

The company said it had conducted “in-depth analysis of competing technologies and market research involving international key medical opinion leaders”.

“There has been a very positive response to the initial results of the MRI test for liver fibrosis and combined with the ability to measure liver fat would offer a significant competitive advantage over other products available in the market,” Resonance said.

Resonance said that pharmaceutical companies involved in the development of therapeutic solutions for non-alcoholic fatty liver disease and anti-fibrogenics and antiviral therapies for patients with hepatitis, would be encouraged by a non-invasive imaging alternative to a liver biopsy.

The company said the tests could offer “significant improvement to patient recruitment in some clinical trials where a liver biopsy would otherwise be required and provides a better alternative for patients, often requiring repeat measurement”.

Resonance managing director Liza Dunne said the liver fibrosis and fat test was “an excellent opportunity for growth for the company and an attractive market to complement our existing expertise and relationships with liver specialists that have been developed through the international rollout of our successful Ferriscan test”.

Resonance was untraded at 1.8 cents.

AVITA MEDICAL

Avita says its unaudited net loss after tax for the 12 months to June 30, 2010 was down 61 percent to \$1.804,615, on revenue up 31 percent to \$4,359,253.

The company said cash receipts from customers for the year to June 30, 2010 were up 22 percent to \$2,899,198 compared to the previous corresponding period.

Avita said its cash burn for the three months to June 30, 2010 was \$395,270 with \$4,047,325 in cash.

Avita was unchanged at 11 cents.

FLUOROTECHNICS

Fluorotechnics says its net operating cash burn for the three months to June 30, 2010 was \$879,676 with cash at the end of the quarter of \$899,639.

In its Appendix 4C quarterly report, Fluorotechnics said it had receipts from customers of \$1,030,055 for the three months and had raised \$1,625,044 in its non-renounceable rights issue with a shortfall of \$558,129 (May 31, 2010).

The laboratory equipment company said it was “seeking expressions of interest in relation to additional capital raising activities as well as investigating other strategic initiatives to fully optimize the roll out of the recently launched HPE Flattop system”.

Fluorotechnics was untraded at 15 cents.

BENITEC

Benitec says its net operating cash burn for the three months to June 30, 2010 was \$844,000 with cash at the end of the quarter of \$651,000.

Benitec did not say in its Appendix 4C quarterly report that it had a \$6.4 million equity draw down facility with La Jolla Cove, with more than \$5 million available to the company (BD: Apr 12, 2010).

Benitec fell 0.1 cents or 3.45 percent to 2.8 cents.

AGENIX

Agenix's annual general meeting will vote on the issue and the prior issue of shares to a range of organizations and people and elect directors.

Agenix will vote on the issue of 600,000 shares to John Tong, 1,000 convertible notes High Tech Computers, increase the shares and voting power of Annmac Investments to 23.59 percent of the company and approve the conversion of 5,000 notes issued to Annmac into 100,000,000 fully paid shares.

Agenix shareholders will also be asked to consider a resolution issuing up to 1,000,000,000 shares and up to 250,000,000 options to Fortrend Small Cap Investors under a standby subscription agreement.

Agenix shareholders will vote to reelect director Christopher McNamara.

The meeting will be held at the William Buck Melbourne Boardroom, Level One, 465 Auburn Road, Hawthorn East, Victoria on August 27, 2010 at 10am.

Agenix is in a suspension and last traded at 1.7 cents.

PRIMA BIOMED

Prima says that director and chairman Ata Gokyildirim has resigned from the company, effective from July 28, 2010.

Last week Prima announced the appointment of non-executive director Albert Wong as interim chairman and said it was negotiating with an external candidate for the role of chairman (BD: Jun 23, 2010).

On the same day Prima reinstated chief executive officer Martin Rogers as a director, following his departure from the board the previous month (BD: Jun 25, 2010) and appointed chief medical officer Dr Neil Frazer as an executive director.

Prima was unchanged at 9.9 cents with 1.7 million shares traded.