



Biotech Daily

Friday March 5, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BENITEC UP 15%; BONE DOWN 10%**
- * **EDITORIAL: CHANGES TO S&P INDICES – FOR WHAT IT’S WORTH**
- * **IMPEDIMED REQUESTS US INSURANCE CODE TRADING HALT**
- * **PRIMA WINS EURO SME STATUS; APPLIES FOR ORPHAN DESIGNATION**
- * **CATHRX ADDS REUSABLES TO PRODUCTS; MOVES TO PARTNERSHIPS**
- * **JAPANESE PATENT FOR XENOME’S VENOM-BASED PAIN DRUG**
- * **COMPUMEDICS WINS POWERHOUSE TOP 100 GONG**
- * **WEHI’S DR MARC PELLEGRINI WINS NHMRC GONG**

MARKET REPORT

The Australian stock market climbed 0.35 percent on Friday March 5, 2010 with the S&P ASX 200 up 16.7 points to 4767.2 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and three were untraded. All three Big Caps were up.

Benitec was best, up 0.6 cents or 15 percent to 4.6 cents with 333,000 shares traded, followed by Uscom up five cents or 9.1 percent to 60 cents with 55,000 shares traded.

Avexa climbed 6.1 percent; Acrux was up 5.8 percent; Universal Biosensors was up 4.3 percent; Genetic Technologies, Living Cell and Prima climbed more than three percent; Antisense, CSL and QRX rose more than two percent; with Phosphagenics, Psivida and Starpharma up more than one percent.

Bone led the falls, down 1.5 cents or 10 percent to 13.5 cents with 2,500 shares traded, followed by Novogen down 8.3 percent to 44 cents with 4,259 shares traded.

Optiscan lost 7.95 percent; Compumedics and Phylogica fell more than five percent; Cellmid and Nanosonics were down more than three percent; Mesoblast, Pharmaxis, Sunshine Heart and Tissue Therapies shed more than two percent; with Bionomics and Heartware down one percent or more.

[BIOTECH DAILY EDITORIAL: STANDARD & POORS ASX INDICES](#)

Seven biotechnology companies have been promoted and five demoted on the Standard & Poor's Australian indices, but the changes have brought the methodology into question. Acrux has been promoted to the S&P ASX 300, with Alchemia, Avexa, Nanosonics, Probiotec, Starpharma and Universal Biosensors elevated to the All Ordinaries list. Clinuvel, Heartware, IDT, Novogen and Prana were removed from the All Ordinaries list. But the demotion of Heartware which had a market capitalization of \$603 million at the close on February 28, 2010 compared to those promoted which were mostly below \$200 million raises questions about the S&P methodology.

Standard & Poor's index manager Jesse Stewart told Biotech Daily the indices do not count shares that are not traded directly on the ASX.

Biotech Daily has repeatedly raised the issue of the ASX failing to provide correct market capitalizations either through its inability to count ASX-escrowed shares or willfully ignoring off-shore stocks (BD: Jun 25, 2009).

With some effort, Resmed convinced the ASX that it was worth \$5 billion and not the \$800 million as published using ASX-sourced data.

Smaller companies with dual listings such as Psivida and Heartware, and previously Peplin, have had no success.

Psivida's ASX-stated market capitalization is about half its true value and Heartware's is about one-fifth of its correct value.

The ASX claims that it doesn't provide market capitalizations but rather the number of shares on offer on the ASX and the share price.

However, the Nasdaq is able to provide total market capitalizations of Australian-listed companies when the ASX and Standard & Poor's either cannot or will not.

Biotech Daily has detailed these issues to Standard & Poor's index composition committee of which Mr Stewart is a member and we await with interest the response.

David Langsam
Editor

[IMPEDIMED](#)

Impedimed has requested a trading halt pending an announcement on the American Medical Association's decision on an insurance "category code".

Impedimed chief executive officer Greg Brown told Biotech Daily that the granting of insurance reimbursement codes in the US was critical to the company's business model.

Impedimed said it was expecting the AMA decision next week, but had been "indirectly informed of the panel ruling" and expected the information to be price sensitive.

Trading will resume on March 9, 2010 or on an earlier announcement.

Impedimed last traded at 73 cents.

[PRIMA](#)

Prima says the European Medicines Agency has granted it "small and medium sized enterprise" status and it has applied for orphan drug designation for CVac.

Prima said the orphan product application for its ovarian cancer vaccine would be validated by the EMEA on March 5, 2010 with a final decision expected by June 2, 2010.

Prima said the enterprise designation and a successful orphan designation could provide benefits during the development process in Europe, including fast tracking, research support, eligibility for protocol assistance and possible exemptions in certain regulatory fees during development or at the time of application.

Prima was up half a cent or 3.45 percent to 15 cents with 2.7 million shares traded.

CATHRX

Cathrx says that following the appointment of Jeff Goodman as chief executive officer, it “will be refocusing the resources of the company effective immediately”.

Cathrx said it would concentrate its activities on its modular device manufacturing platform, which was suited to the design and development of robust and re-useable electrophysiology catheter devices.

The company said it had stylets Conformité Européenne (CE) marked for re-use and had identified this market niche for re-usable devices as an emerging market growth segment. Cathrx said re-useable products had the dual advantages of lowering the cost of the medical procedures significantly, while reducing the ecological burden of complex “single use and discard” medical products.

Cathrx said it hoped to secure partners with a large strategic vested interest in the catheter platform’s success and the company would expect to receive milestone payments and/or manufacturing supply contracts and royalties from these partnership agreements.

The company said it signed a “head of agreement” with its existing German distributor, Pioneer Medical Devices, which will align the economic interests of the two businesses. Cathrx said Pioneer was founded in 2005 working on the development, manufacture and reprocessing of innovative and complex medical devices.

Mr Goodman said that as an innovator in re-useable medical devices Pioneer had “a deep understanding of the potential for Cathrx’s devices to disrupt and be successful in the existing [electrophysiology] catheter market and therefore places high value on our manufacturing platform technology”.

“We are not aware of any other firm ... with a modular manufacturing platform technology robust enough to develop re-processable products,” Mr Goodman said.

“Cathrx’s strategy to partner with Pioneer will allow us to reduce the costs to commercialize and thus preserve our cash,” Mr Goodman said.

“Once a definitive agreement is formalized, the strategic partnership with Pioneer will de-risk the sales and marketing program by providing access to an extensive sales and distribution network that would otherwise take time and money to build,” he said.

“We are actively pursuing similar types of relationships in other key geographic regions,” Mr Goodman said.

“While we are excited by this new product initiative, we remain very focused on retaining and accelerating our R&D interest in therapeutic solutions for the diagnosis and treatment of atrial fibrillation,” Mr Goodman said.

Cathrx was unchanged at 27 cents.

XENOME

Xenome says the Japanese Patent Office has issued a patent entitled ‘Novel Peptides’ for the company’s novel class of norepinephrine transporter inhibitors.

Xenome said the patent added to its intellectual property portfolio surrounding chiono-peptides and analogues.

The company said it had patent protection for the family of norepinephrine transporter inhibitors, including lead product, Xen2174 in the US, Europe, Australia and New Zealand.

Xenome said Xen2174 had shown promise as a new class of pain therapeutic and was in clinical development for treating moderate to severe, acute and chronic pain.

Xenome said that in a 2008 phase I/II trial in cancer patients, a single intra-spinal administration of Xen2174 was safe and well-tolerated across a broad dose range.

The study provided evidence of a longlasting analgesic effect with a rapid onset of action.

Xenome is a public unlisted company.

COMPUMEDICS

Compumedics says Sydney's Powerhouse Museum has declared it "one of Australia's top 100 health innovators" for its sleep diagnostic devices.

The Museum's curator of power technologies Debbie Rudder said the criteria were "originality and impact".

"Was the idea behind an innovation a significant breakthrough? Did a new product create or boost an industry or earn a good deal of export income? Did a product or social innovation change people's lives?" Ms Rudder said.

Compumedics fell one cent or 5.7 percent to 16.5 cents.

WALTER AND ELIZA HALL INSTITUTE

Walter and Eliza Hall Institute's Dr Marc Pellegrini has won a National Health and Medical Research Council Excellence Award for his work on chronic infections.

The Institute said Dr Pellegrini was a laboratory head in the institute's infection and immunity division and an infectious disease clinician at the Royal Melbourne Hospital. Dr Pellegrini's research focuses on HIV and tuberculosis and how the human immune system responds to these infections, particularly how cell signaling pathways regulate immunity.