



Biotech Daily

Thursday November 4, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: CELLMID UP 18%; GENETIC TECHNO DOWN 10%**
- * **ADVANCED SURGICAL DISTRIBUTES PARCUS MEDICAL PRODUCTS**
- * **ATCOR, PSIVIDA, QRX RECEIVE \$1.1m OBAMACARE TAX CREDIT**
- * **STARPHARMA CONFIDENT WITH RECKITT BENCKISER DUREX CONDOMS**
- * **OMI RETURNS TO ASX TRADING**
- * **SMALL DISSENT ON NANOSONICS' DIRECTOR OPTIONS, STOCK PLANS**
- * **NUSEP WINS \$30k NSW GRANT; STARTS US PATENT CASE**
- * **ANTEO DIRECTOR DR ROBERT GILMOUR RESIGNS**
- * **ORBIS SELLS 2.6m ACRUX SHARES**
- * **BIO-MELBOURNE VENTURES 'INSIDE THE WORLD OF INFLUENCE'**

MARKET REPORT

The Australian stock market was up 0.48 percent on Thursday November 4, 2010 with the S&P ASX 200 up 21.7 points to 4745.3 points. Eleven of the Biotech Daily Top 40 stocks were up, 13 fell, 13 traded unchanged and three were untraded.

Cellmid was best for the second day in a row, up 1.1 cents or 18.3 percent to 7.1 cents with 397.6 million shares traded, followed by Prana up 8.3 percent to 13 cents with 59,460 shares traded.

Antisense climbed 7.1 percent; Viralytics was up 5.9 percent; Phylogica was up 3.9 percent; Benitec and Clinuvel rose more than two percent; with Bionomics, Cochlear, CSL and Mesoblast up more than one percent.

Genetic Technologies led the falls, down 0.3 cents or 10 percent to 2.7 cents with 265,000 shares traded, followed by Optiscan down seven percent to four cents with 1,445 shares traded.

Acrux and Sirtex lost four percent or more; Chemgenex fell 3.7 percent; Cellestis and Heartware shed more than two percent; with Immuron, Impedimed, Nanosonics and Starpharma down more than one percent.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical says it has an exclusive Australian distribution agreement with US surgical products company, Parcus Medical Inc.

Advanced Surgical chief executive officer Dr Greg Roger said his company was “firmly focused on substantially increasing our sales and profitability”.

Dr Roger said Parcus Medical products for sports injury procedures fitted his company’s business strategy and would add to our product range and instrument sets.

The Parcus website said the company produced drills, reamers, screws and anchors.

Advanced Surgical said the market opportunity in Australia for Parcus Medical products was more than 20,000 surgical procedures a year, performed by the company’s key customer base which included surgeons, public and private hospitals.

“We’re building a portfolio of high quality products,” Dr Roger said.

“Partnering with Parcus Medical continues this process,” Dr Roger said.

“These products are complementary to our range of artificial knees and sports medicine solutions,” Dr Roger said.

“We now have a range which includes soft tissue anchors that provide surgeons with more choices for their patients’ needs,” Dr Roger said.

Advanced Surgical has previously announced distribution deals with Permedica (BD: Oct 20, 2010) and ArthroSurface Inc (BD: Oct 11, 2010).

Advanced Surgical was unchanged at 40 cents.

ATCOR MEDICAL, PSIVIDA, QRX PHARMA

Three more Australian biotechnology companies have been awarded grant and tax credit under the US Qualifying Therapeutic Discovery Project.

The Project is a grant and tax credit scheme operated by the US Internal Revenue Service as part of the US Health Care Reform Bill of 2010 to foster medical, life science and biological innovation in the US.

Psivida said it received two grants totaling \$US489,000 (\$A486,521) .

QRX said it received two grants totaling \$US488,958 (\$A486,464).

Atcor said it received a grant of \$US135,637 (\$A134,887).

Atcor was up 2.5 cents or 31.25 percent to 10.5 cents.

Psivida fell two cents or 0.35 percent to \$5.70.

QRX was unchanged at 91 cents.

STARPHARMA

Starpharma says Reckitt Benckiser plc has completed its £2.5 billion (\$A4.0 billion) acquisition of SSL International (BD: Jul 22, 2010).

Starpharma said SSL was formally part of Reckitt Benckiser with condom brand Durex added to Reckitt’s portfolio of health and personal care brands which included Nurofen, Strepsils and Clearasil.

Starpharma said it had a licence agreement with SSL to develop and market a Vivagel-coated condom under the Durex banner in all markets apart from Japan.

Starpharma chief executive officer Jackie Fairley said the company was “optimistic about the implications for Starpharma of this development given Reckitt Benckiser’s formidable distribution and brand-building capabilities”.

“We look forward to working with Reckitt Benckiser to bring the Vivagel coated condom to market,” Dr Fairley said

Starpharma fell one cent or 1.4 percent to 69 cents.

OMI

The ASX says OMI (formerly Occupational & Medical Innovations) will return to trading from 10am (AEDT) tomorrow November 5, 2010, with \$1.8 million in cash.

OMI went into voluntary administration on December 31, 2009 and in May 2010 entered into a deed of company arrangement with Sun Biomedical.

In September the company said it hoped to return to trading following two placements to raise \$2,550,000 to continue development of safer needles and related technologies (BD: Sep 21, 2010).

In a series of reinstatement notices to the ASX yesterday OMI said it had raised \$2,289,959 and paid the creditors' trust \$115,000, leaving it with about \$1,807,000 in cash, net of liabilities. Patersons Securities was lead manager to the placements.

OMI said it had an agreement with Chelsea Medical Services to provide services "in particular in relation to the commercialization of the OMI Sharpsafe [syringe container]". OMI last traded at 14.5 cents.

NANOSONICS

Nanosonics shareholders approved all annual general meeting resolutions with small but significant dissent over directors' options and company share and option plans.

The greatest division was on the issue of options to chief executive officer David Radford and executive director and chief technology officer Dr Ron Weinberger.

Nanosonics investors voted 24,612,688 proxy votes (88.04%) in favor of the options for Mr Radford with 3,342,839 proxy votes (11.96%) against. A similar percentage opposed the options to Dr Weinberger.

Four resolutions on employee share and option plans were passed by about 25.5 million proxy votes in favor (91.1%) to 2.5 million proxy votes against (8.9%).

More than 30 million director votes abstained from the six resolutions with a further 14,352,951 votes "at the proxy's discretion".

Resolutions to reelect Mr Radford, Dr Weinberger and Richard England, along with the remuneration report were passed overwhelmingly.

Nanosonics fell 1.5 cents or 1.7 percent to 86.5 cents.

NUSEP

Nusep says it has been awarded a \$30,000 New South Wales Government 'Tech Voucher Grant' with the University of Newcastle's Prof John Aitken.

Nusep said Prof Aitken was also chairman of the company's scientific advisory committee. The company said the six-month project would be funded by the grant to develop further clinical in-vitro fertilization (IVF) applications of the Spermsep instrument.

Nusep's chief scientific officer Dr John Andrews said the grant was "an important stimulus to creating further clinical applications for the Spermsep including its possible use in the veterinary area" and the Spermsep IVF clinical trials were due to start early in 2011.

Separately, the company said it had lodged a complaint against Expedeon for patent infringement in the US state of Georgia.

Nusep said it was suing Expedeon for alleged infringement of one of its gel cassette patents and had joined both Thermo and Pierce to the case as they were distributing the Expedeon gels.

Nusep said it would prefer to resolve the matter commercially and would attempt to do so, but was intent on protecting its intellectual property.

Nusep was unchanged at 31.5 cents.

ANTEO DIAGNOSTICS

Anteo says non-executive director Dr Robert Gilmour resigned on November 3, 2010. The company said Dr Gilmour was “pursuing new business interests and therefore may not have the necessary time to commit to a non-executive director role with Anteo”. Anteo said it would not replace Dr Gilmour and would have a four person board. Anteo fell 0.1 cents or two percent to 4.9 cents with 2.8 million shares traded.

ACRUX

Orbis Investment Management has reduced its substantial holding in Acrux from 29,731,141 shares (18.21%) to 27,078,251 shares (16.59%). The substantial shareholder notice said the company sold the 2,652,890 shares for \$8,106,673 or an average price of \$3.06 a shares. Acrux fell 15 cents or 4.7 percent to \$3.02.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says its November 11, 2010 workshop will enter the world of influence, discussing the development of a government contact program.

Bio-Melbourne Network chief executive officer Michelle Gallaher said the biotechnology industry under utilized its relationship with government.

“It cannot afford to be unaware of the political environment at state, federal and local government levels,” Ms Gallaher said.

“The industry should be regularly informing and advising government on the challenges affecting the industry and its successes, so as to act as a form of insurance to prevent adverse policies or measures,” Ms Gallaher said.

The Network said the November workshop would provide an insight into how government works and “best practice interaction”.

The Bio-Melbourne Network said the speakers include the Glaxosmithkline’s former director of Healthcare Environment Alex Gosman, Glaxosmithkline’s government affairs manager, Tim Murphy who was previously an advisor to Innovation Minister Senator Kim Carr and before that chief executive officer of the Bio-Melbourne Network and Healthways corporate affairs officer Craig Bosworth, a former advisor to Liberal Health Minister Kay Patterson and corporate affairs adviser to Medibank Private.

The workshop will be followed by lunch with speaker Deloitte Touche Tohmatsu’s government assistance program partner, Damon Cantwell.

The November 11 Bio-Workshop ‘Inside the World of Influence’ will be held at Deloitte Touche Tohmatsu, 550 Bourke Street, Melbourne. Registration is from 8:45am.

For more information go to: <http://www.biomelbourne.org/events/view/156>.