



Biotech Daily

Monday October 11, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: USCOM UP 16%; LIVING CELL DOWN 6%**
- * **ANDREW WILKS, PETER MOLLOY & SYNKINASE INHIBITOR REAGENTS**
- * **MERCK TO CLOSE BODIEM LAIV BOXMEER OPERATIONS THIS MONTH**
- * **ADVANCED SURGICAL DISTRIBUTES ARTHROSURFACE PRODUCTS**
- * **GENERAL MEETING TO REVIVE SAFETY MEDICAL**
- * **NUSEP BUYS BACK 94,990 UNMARKETABLE SHARES**
- * **BPH 'STRATEGIC DIRECTION' TRADING HALT, SUSPENSION**
- * **SUNSHINE HEART EGM DATE CORRECTION**

MARKET REPORT

The Australian stock market climbed 0.34 percent on Monday October 11, 2010 with the S&P ASX 200 up 16.1 points to 4697.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and five were untraded. All three Big Caps fell.

Uscom was best, up five cents or 15.6 percent to 37 cents with 2,000 shares traded, followed by Tissue Therapies up 13.5 percent to 29.5 cents with 933,780 shares traded and Benitec up 10 percent to 4.4 cents with four million shares traded.

Circadian and Pharmaxis climbed five percent; Universal Biosensors was up 3.2 percent; Clinuvel rose 2.7 percent; with Cathrx, Impedimed, QRX and Starpharma up more than one percent.

Living Cell led the falls, down one cent or 5.9 percent to 16 cents with 77,727 shares traded, followed by Immuron down five percent to 7.6 cents with 267,490 shares traded.

Chemgenex, Genetic Technologies, Prima and Viralytics lost more than three percent; Mesoblast, Patrys, Phylogica and Resmed shed more than two percent; with Acrux, Alchemia and Nanosonics down more than one percent.

[SYNKINASE, SYNTHESIS MED CHEM](#)

Former Biota chief executive officer Peter Molloy and Cytopia founder Prof Andrew Wilks have joined forces to market kinase inhibitors as research reagents.

Prof Wilks was Cytopia's chief scientific officer, prior to the company's sale to YM Biosciences of Canada, which is developing Cytopia's JAK (kinase) inhibitors.

Prof Wilks is the founder and executive chairman of chemistry services company Synthesis Med Chem and created the wholly-owned subsidiary Synkinase Pty Ltd, which has Mr Molloy as its general manager.

Launching Synkinase today, a company media release said kinases were "proteins that play important roles in diseases such as cancer and inflammation".

Consequently, kinase inhibitors have been a popular area for research activity by scientists in biotechnology companies, pharmaceutical companies and public research institutions, Synkinase said.

The company said scientists often needed to obtain small quantities of published or patented kinase inhibitors to use as reference compounds in drug discovery programs and Synkinase would offer "a large catalogue of these compounds for sale to these scientists". "While Synthesis is focused on chemistry services, we have also created what is possibly the world's largest range of novel kinase inhibitors for use as reference compounds," Prof Wilks said.

Prof Wilks said Synthesis had been selling the compounds for two years with sales growing substantially.

"We decided to establish Synkinase to provide a focus for these products and to more effectively market them, as well as give us a marketing platform for future research products from Synthesis's chemistry services business," Prof Wilks said.

The company said Synkinase would be co-located with the Synthesis operations in Melbourne, with all Synkinase products shipped from its facilities in Shanghai, China. Synthesis said that Mr Molloy would oversee the launch of Synkinase and would act as its general manager during the establishment phase.

The company said Mr Molloy had extensive marketing and pharmaceutical industry experience. Mr Molloy is a director of Viralytics.

More information about Synkinase can be found at: www.synkinase.com and details about Synthesis Med Chem is at: www.synmedchem.com.

Synthesis Med Chem is a private company

[BIODIEM, MERCK & CO](#)

Biodiem says that the US Merck & Co intends to cease operations at its Boxmeer plant by the end of October 2010.

Biodiem said Boxmeer in the Netherlands was one of the sites where work on its live attenuated influenza vaccine had been taking place.

Biodiem said the decision followed the merger of Merck and Schering-Plough and Merck's proposed phase-out of operations at the Nobilon facility at Boxmeer.

In December 2009, Merck reneged on the renewal of a licence for its live attenuated influenza vaccine technology for Japan (BD: Jan 17, 2010).

Today the company said that discussions with Merck about the future of the program for the ongoing development of the live attenuated influenza vaccine under Biodiem's licence with Merck's subsidiary, Nobilon, were continuing.

Biodiem said it would announce the transition of the vaccine development work and materials from Boxmeer and any interim arrangements before the end of October 2010.

Biodiem was untraded at 14 cents.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical says it has been appointed the Australian distributor for US orthopaedic company ArthroSurface Inc.

Advanced Surgical said it would distribute the full range of ArthroSurface orthopaedic products including the Hemicap system used for the treatment of localized cartilage lesions and defects in major joints.

Advanced Surgical's chief executive officer Dr Greg Roger said ArthroSurface products were "extremely complimentary to our range of artificial knees".

"Importantly, ArthroSurface has a first class product and an established user base of Australian surgeons," Dr Roger said.

ArthroSurface's sales and marketing vice-president Lester Fehr said he was looking forward to seeing his company's exposure to the Australian market grow rapidly.

"Bottom line, ASDM has a great reputation in the market and our decision and business commitment to ASDM is just a logical choice," Mr Fehr said.

Advanced Surgical was untraded at 38 cents.

SAFETY MEDICAL PRODUCTS

A general meeting will be held to approve a series of capital raisings to revive Safety Medical, currently subject to a deed of company arrangement.

In April, Safety Medical appointed McGrathnicol as voluntary administrators, following the failure of negotiations with potential investors, (BD: Apr 16, 2010).

Safety Medical had been developing the Securetouch Retractable Syringe and in 2008 expanded to launch Pureste branded sterilized tampons, pads and liners.

The company mooted a joint venture with Hungary's Dispomedicor Zrt, but changed to investing in the medical products manufacturer (BD: Sep 21, Nov 20, 2009).

On March 1, 2010, Safety Medical was suspended for failing to lodge full year accounts.

Today, the company said that completion of the recapitalization would result in: the restructure of the company's capital base; the raising of working capital; termination of the deed of company arrangement and retirement of the deed administrators; settlement of all provable debts of the creditors; and application for reinstatement to the ASX.

The resolutions include a one-for-five consolidation; the issue of 150,000,000 new shares to Trident Capital at not less than 0.5 cents a share to raise at least \$750,000; the issue of 30,000,000 new shares to directors and associates; and the issue of up to 220,000,000 shares at one cent a share to raise \$2.2 million.

In July Trident director Adam Sierakowski told Biotech Daily that his company would want to return shareholder value and all options were open (BD: Jul 12, 2010).

The meeting will be held at Minter Ellison Lawyers, Level 10, 25 Grenfell Street, Adelaide, on November 8, 2010 at 10am ACDT.

Safety Medical is in a suspension and last traded at 3.7 cents.

NUSEP

Nusep has bought back 94,990 shares from 1,042 shareholders at 22 cents a share.

Nusep said that following the buy-back of unmarketable parcels, it had 941 shareholders owning 59,316,754 shares.

Nusep executive chairman John Manus said the buy-back allowed the company "to significantly reduce the cost ... of maintaining these smaller shareholders and in turn allow us to spend these resources on developing Nusep's IVF and gel products".

Nusep was unchanged at 24 cents.

BPH CORPORATE

BPH has requested a voluntary suspension to follow a trading halt requested this afternoon, pending an announcement on its "future strategic direction".

BPH also announced that it would subscribe for shares in Advent Energy, raising its investment in the oil and gas explorer to 27.7 percent.

BPH (formerly Biopharmica) has reduced its interest in Cortical Dynamics to 3.6 percent, but retains a 20 percent interest in Molecular Discovery Systems following last year's in specie share return (BD: Nov 24, 2009).

BPH last traded at 9.4 cents.

SUNSHINE HEART

Sunshine Heart has filed an amended notice of meeting primarily for the date of its extraordinary general meeting to vote on a capital raising (BD: Sep 24, 2010).

Sunshine Heart chief financial officer Rowena Hubble told Biotech Daily that the notice of meeting previously lodged on the ASX website had an incorrect meeting date which has been amended to October 28, 2010.

No Biotech Daily sub-editors were hurt in making this correction.

Sunshine Heart was untraded at 2.7 cents.