



Biotech Daily

Tuesday October 12, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN:
- TISSUE THERAPIES UP 22%; BENITEC DOWN 7%**
- * **ELLEX DISTRIBUTES CENTREVUE'S MACULAR INTEGRITY DIAGNOSTIC**
- * **1st EU, 3rd AUSTRALIAN PATENT FOR TISSUE THERAPIES' VITROGRO**
- * **PROGEN PG545 MOUSE DATA SHOWS ANTI-CANCER POTENTIAL**
- * **BPH TO CHANGE STRATEGIC DIRECTION WITH 2 BIOTECH IPOS**
- * **NORTHCAPE TAKES 5% OF PHARMAXIS**
- * **ALL DIRECTORS CHANGE AT SAFETY MEDICAL (DOCA)**
- * **TYRIAN CHAIRMAN ROGER AMOS TAKES PAY IN SHARES**

MARKET REPORT

The Australian stock market fell 1.7 percent on Tuesday October 12, 2010 with the S&P ASX 200 down 79.3 points to 4618.2 points.

Eleven of the Biotech Daily Top 40 stocks were up, 12 fell, nine traded unchanged and eight were untraded.

Tissue Therapies was best, up 6.5 cents or 22 percent to 36 cents with 1.4 million shares traded, followed by Sunshine Heart up 11.1 percent to three cents with 175,065 shares traded.

Chemgenex and Novogen climbed more than seven percent; Cellmid and Clinuvel were both up 5.3 percent; Phosphagenics rose 2.3 percent; with Acrux, Impedimed and QRX up more than one percent.

Benitec led the falls, down 0.3 cents or 6.8 percent to 4.1 cents with 2.7 million shares traded, followed by Antisense down 6.7 percent to 1.4 cents with 100,000 shares traded.

Heartware lost 5.7 percent; Mesoblast and Pharmaxis fell more than four percent; Living Cell fell 3.1 percent; with Bionomics, Cochlear and CSL down more than one percent.

ELLEX MEDICAL LASERS

Ellex will distribute Centervue's macular integrity assessment technology (Maia) fundus perimetry system in the US and Australia effective from October 4, 2010.

Ellex said the strategic partnership with the Italian medical device manufacturer would expand its presence in the ophthalmic diagnostics market.

Ellex said the agreement with Centervue SpA was to market and distribute its Maia fundus perimetry system, which was designed for the diagnosis of retinal disease and complemented Ellex's range of ophthalmic treatment lasers.

Ellex chief executive officer Simon Luscombe said that the macular integrity assessment system provided essential technology to Ellex's target customers and the product fitted well with existing sales, marketing and service capabilities.

"It also complements our breakthrough retinal regeneration therapy (2RT) for the treatment of retinal disease," Mr Luscombe said.

Ellex said the system was a new-generation fundus perimetry system that accurately measures macular sensitivity, fixation stability and the point of fixation, which were important for the diagnosis of macular health and retinal disease.

The company said the system incorporated a scanning laser ophthalmoscope to capture clear images of the retina.

"Fundus perimetry is considered a must-have diagnostic tool by many ophthalmologists and vision care professionals, enabling them to diagnose and track changes in retinal disease and its treatment," Mr Luscombe said.

"The Maia system offers a major innovation in macular function testing, and we are excited about the opportunity to partner with Centervue, market innovators in technologies to aid the early detection of ophthalmic disease," Mr Luscombe said.

Ellex said the macular integrity assessment system would add to its third-party distribution business, which generated revenues of approximately \$7 million in 2009-'10 over and above sales of the company's proprietary products and technologies.

"Maia offers an important opportunity to expand our business and will provide additional diversity of earnings, supporting cash flow growth going forward," Mr Luscombe said.

Ellex said it would leverage its existing direct sales and distribution channels to sell the Maia system in the US and Australia.

The company said that since the introduction of its first ophthalmic laser in 1985, it had established a strong position in the ophthalmic laser market, offering a platform for growth into the broader \$12 billion global ophthalmic device market.

Ellex said the Centervue partnership followed its expansion into the ophthalmic diagnostic market in 2006 with the acquisition of US-based ultrasound manufacturer Innovative Imaging Inc.

Ellex said the Maia system would be previewed during the annual meeting of the American Academy of Ophthalmology in Chicago beginning on October 16, 2010.

Ellex climbed 2.5 cents or 9.4 percent to 29 cents.

TISSUE THERAPIES

Tissue Therapies has been granted its first European Union and third Australian patent for its Vitrogro wound therapy.

Tissue Therapies chief executive officer Dr Steven Mercer told Biotech Daily the patent was entitled 'Skin regeneration system'.

Dr Mercer said the patent had been granted in Japan.

Tissue Therapies was up 6.5 cents or 22 percent to 36 cents with 1.4 million shares traded.

PROGEN

Progen says in vivo mouse data shows that its next clinical candidate PG545 is an effective angiogenesis inhibitor with anti-metastatic activity.

Progen said PG545 was a small molecule heparin sulfate mimetic, a fully synthetic single chemical entity, which inhibited growth factor signaling and heparanase activity and displayed potent anti-tumor and anti-metastatic activity in preclinical models.

The company said PG545 was expected to go into human trials in December 2010.

In a poster entitled 'The Dual Angiogenesis Heparanase Inhibitor PG545 Suppresses Metastasis in Models of Melanoma, Breast and Lung Cancer - An Advantage Over Tyrosine Kinase Inhibitors?' presented to the Translational Research Excellence Conference in Brisbane said the findings "bode well for the continued development of PG545 with the results described here showing that this compound inhibits metastatic development, in contrast to recent findings for other angiogenesis inhibitors".

Progen said its director of preclinical development Dr Keith Dredge presented the PG545 data at the conference.

A copy of the presentation is at: <http://www.progen.com.au/technology/presentations.aspx>. Progen was untraded at 33 cents.

BPH CORPORATE

BPH executive chairman David Breeze says its two biotechnology subsidiaries are in the process of planning initial public offerings and BPH will become an investment company. Yesterday's ASX announcements said the company would make an announcement on its "future strategic direction" but did not explain that raising its investment to 27.7 percent in oil and gas explorer Advent Energy signaled the transition away from biotechnology.

BPH (formerly Biopharmica) reduced its interest in Cortical Dynamics which is developing a brain anaesthesia monitor to 3.6 percent, but retains a 20 percent interest in Molecular Discovery Systems which owns the intellectual property of the HLS5 tumor suppressor gene as a target (BD: Nov 24, 2009).

Mr Breeze told Biotech Daily that preparations were underway for two separate initial public offerings for each company and BPH would become an investment company with a major shareholding in Advent Energy.

BPH fell one cent or 10.6 percent to 8.4 cents with 3.6 million shares traded.

PHARMAXIS

Northcape Capital has become a substantial shareholder in Pharmaxis with the acquisition of 11,601,166 shares or 5.14 percent of the company.

Northcape said the shares were acquired in smaller parcels June 1 and October 1, 2010, with the last recorded acquisition of 315,861 shares for \$685,418 or \$2.17 per share.

Pharmaxis fell 11 cents or four percent to \$2.61.

SAFETY MEDICAL PRODUCTS

Administrators McGrathnicol says that Safety Medical directors John Darley, John Riemelmoser and Joseph Nichols have been replaced by Simon Lill, Stephen Hewitt-Dutton and Peter Christie.

McGrathnicol said the appointments and resignations were in accordance with the deed of company arrangement (BD: Oct 11, 2010).

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

TYRIAN DIAGNOSTICS

Tyrian says chairman Roger Amos has elected to receive a portion of his director's fees in shares in lieu of cash effective from July 1, 2010.

Tyrina said it would seek shareholder approval for the share issue to Mr Amos at its annual general meeting.

The company said the ASX granted the waiver for Mr Amos to receive up to a maximum of \$45,000 in shares in two tranches for the 2010-'11 financial year within 30 days of December 31, 2010 and June 30, 2011.

Tyrian said the number of shares in each tranche would be calculated by dividing \$22,500 by the 30-day volume weighted average trading share price.

Tyrian fell 0.1 cents or 6.7 percent to 1.4 cents.