



# Biotech Daily

Monday October 18, 2010

*Daily news on ASX-listed biotechnology companies*

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## MARKET REPORT

The Australian stock market fell 0.79 percent on Monday October 18, 2010 with the S&P ASX 200 down 37.1 points to 4651.9 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 10 fell, 11 traded unchanged and four were untraded. All three Big Caps fell.

Cellmid was best, up 0.4 cents or 20 percent to 2.4 cents with 979,007 shares traded, followed by Psivida up 8.9 percent to \$5.50 with 10,933 shares traded and Compumedics up 8.3 percent to 13 cents with 26,500 shares traded.

Uscom climbed 6.25 percent; Benitec and Phosphagenics were up five percent or more; Novogen and Prima were up more than three percent; Cellestis rose two percent; with Alchemia, Biota, Impedimed and Nanosonics up more than one percent.

Cathrx led the falls, down two cents or 7.1 percent to 26 cents with 242,000 shares traded, followed by Genera down 6.25 percent to 45 cents with 23,937 shares traded.

Clinuvel and LBT lost more than five percent; Phylogica and QRX fell more than four percent; Circadian was down 3.2 percent; Pharmaxis and Viralytics shed more than two percent; with Cochlear and Tissue Therapies down more than one percent.

## [BIO CEO JIM GREENWOOD, AUSBIOTECH CONFERENCE 2010](#)

The chief executive officer of the US Biotechnology Industry Organization Jim Greenwood says his group was instrumental in making positive changes to President Barack Obama's healthcare reforms.

In Melbourne for the Ausbiotech conference starting with an investment summit tomorrow, Mr Greenwood told Biotech Daily that BIO "fought hard for a 12-year exclusivity" for bio-similars against the original proposals for much shorter protection periods.

Mr Greenwood said the US Government healthcare reform package would provide \$1 billion in refundable tax credits for smaller biotechnology companies, defined as having 250 employees or fewer.

Mr Greenwood said that unlike the Australian proposed research and development tax credit scheme, the US plan does not have a means test, but is defined by company size.

He said the first cheques were about to be sent out to successful claimant companies who could receive up to 50 percent of their research and development expenditure as a tax credit.

Like the proposed Australian program, the US tax credit will pay companies without income in cash.

Mr Greenwood said the US Government would pay up to \$US5 million to companies as research and development tax credits.

Mr Greenwood said the opposition to the reform from large pharmaceutical companies was primarily about subsidizing the uninsured who were "largely low drug utilizers, because they are primarily younger healthy people".

"Ultimately big pharma supported the legislation," Mr Greenwood said.

With 24 years of political experience, 12 years in the Parliament of Pennsylvania and six two-year terms as a member of the US House of Representatives, Mr Greenwood has a long track record of support for research.

Described as a 'Rockefeller Republican' Mr Greenwood said he was a social liberal, and libertarian, but a fiscal conservative, who opposed Government wastage.

He supported embryonic stem cell research and therapeutic cloning in the US Congress as well as supporting a woman's right to choose on abortion – an unusual political position, for a male Republican, he said.

Mr Greenwood told Biotech Daily that his attitude to the right to abortion was informed by his first career as a social worker.

Mr Greenwood said he initially rejected the BIO job offer, but then changed his mind, having already won the Republican Primary vote for his Pennsylvania seat in the House of Representatives.

Mr Greenwood said he appreciated that Australian biotechnology companies were not hit as hard as the US companies.

"We lost 25 percent of [the 400] publicly traded biotech companies in the US," Mr Greenwood said. "Half went bust and half were forced into shotgun marriages."

"Some were, in Darwinian terms, the weakest and would have failed anyway," Mr Greenwood said.

He said that in the run-up to the 2008 elections, the world-wide credit crunch meant a lack of access to capital and uncertainty over the election of President Obama and his healthcare reforms meant that those who did have money weren't prepared to invest it.

"If you had product you weren't hurt that badly, but those reliant on capital investment were," Mr Greenwood said. "We've come through that".

Mr Greenwood is the first plenary speaker at Ausbiotech's conference on October 20, 2010 speaking on the subject: 'Fulfilling the Promise'.

The pre-conference investment summit begins tomorrow at the Hilton Hotel, Wellington Street East Melbourne, with the official start on October 20 at the Melbourne Convention Centre, Clarendon Street, South Melbourne.

## [VICTORIAN GOVERNMENT](#)

The Victorian Government will provide \$8.5 million for biomedical imaging for the prevention and treatment of conditions such as cancer, brain and heart disease.

In a media release, Innovation Minister Gavin Jennings said the Victorian Biomedical Imaging Capability (VBIC), at the Melbourne Neuroscience Project being built in Parkville, would vastly improve biomedical imaging.

"The VBIC will provide a coordinated network of capabilities and research capacity in medical imaging to support Victoria's universities and medical institutes to conduct research that has the potential to save the lives of people around the world," he said.

"The VBIC project will now be able to apply medical imaging to basic research, develop new radiology practices, provide advanced screening of new drug candidates and develop the next generation of imaging agents and scanning technologies," Mr Jennings said.

Mr Jennings said the Victorian Biomedical Imaging Capability would increase capability and capacity in cancer research imaging at Monash University, Peter MacCallum Cancer Centre, Prince Henry's Institute and Southern Health, as well as cognitive and clinical neurosciences research at Florey Neuroscience Institutes, Mental Health Research Institute, University of Melbourne, the CSIRO, Swinburne University, Monash University, Alfred Health and Southern Health.

The media release said the Florey Neuroscience Institutes would lead the project in collaboration with funding partners, Monash University, the University of Melbourne, Swinburne University of Technology, Peter MacCallum Cancer Centre and CSIRO.

The Victorian Government said its \$8.5 million investment would be leveraged with a \$9 million cash investment from the VBIC partners and an additional \$7.3 million in in-kind resources.

For information about the VBIC project go to: [www.business.vic.gov.au/vsa](http://www.business.vic.gov.au/vsa).

## NUSEP

Nusep says it is debt free following the full and final settlement of the French's Forest lease.

Nusep said the final payment completed the restructure of its balance sheet and the debt-free company was able to concentrate its resources on operations and sales.

Nusep executive chairman John Manusu said the payment was "a significant milestone and completes the restructuring of the company's general operations and balance sheet which has been the focus of the board and management over the last 18 months".

Nusep managing director Dr Hari Nair said the company was "able to focus solely on expanding its sales and hitting its 2011 profit numbers".

"An important aspect of this will be the launch of the new gels in mid- November," Dr Nair said.

Nusep fell half a cent or 1.8 percent to 27 cents.

## IMPEDIMED

Impedimed has appointed Bill Gearhart as the North America head of sales and marketing and Jack Butler as head of corporate development.

Impedimed said Peggy Brooker had been promoted to chief financial officer replacing Donald Myll who has resigned to lead a healthcare care services opportunity in the US.

Impedimed said Mr Gearhart's appointment was an important expansion of the executive team in its aim to be the global leader in fluid status monitoring.

The company said Mr Gearhart had experience in the commercial expansion of medical devices and particularly in the breast care market and most recently, was Seorx's head of marketing and corporate development for the company which develops minimally invasive devices for the diagnosis and treatment of breast cancer.

Impedimed said Mr Butler would be responsible for business development and managed care contracting and his managed care team would focus on initiatives to establish a dominant position in key managed care markets and to win medical policy decisions supporting the company's insurance reimbursement code strategy.

Impedimed said Mr Butler had been with the company for five years, leading both the managed care team as well as directing the field sales organization.

Prior to Impedimed, Mr Butler was in sales, marketing and business development with Digene Corporation and Roche Diagnostic Systems.

Ms Brooker joined Impedimed in November 2009 as head of global finance and prior to that was a partner with Ernst & Young in Southern California and a principal in Sydney Ms

Impedimed said Ms Brooker had several years experience as the chief financial officer of an insurance broker in Los Angeles and the head of finance for an aerospace company.

Impedimed was up one cent or 1.25 percent to 81 cents.

## ITL

ITL says Bill Mobbs has been appointed executive chairman replacing Julian Gosse who will continue as a non-executive independent director until a replacement is found.

ITL said the board and management were reviewing the complete operation of the company and had implemented changes to reduce overheads, cut operating costs, improve margins and position the business for future growth.

The company said the board had reduced its total individual director compensation by 20 percent until the company returns to full-year profitability.

ITL was unchanged at five cents.

## CALZADA

Calzada says it has appointed Dr John Chiplin as a non executive director, replacing George Cameron-Dow who will retire at the company's annual general meeting. Calzada said Dr Chiplin had "a proven track record of success in the Australian biotechnology sector and his appointment is seen as an important step in expanding and strengthening the scientific, medical and biotechnology commercialization skills of the board".

Calzada said it had focused on addressing the capital structure of its wholly-owned subsidiary Polynovo Biomaterials, while assessing the development strategies of the key technologies Novosorb and Metabolic Pharmaceuticals' anti-obesity compound AOD9604. The company said it was appropriate to include a greater life sciences emphasis to better exploit the inherent value of the assets.

Calzada said Mr Cameron-Dow would retire by rotation at the annual general meeting and was not seeking reelection.

Calzada said it was reviewing its corporate and executive structure and expected to make further announcements regarding board and executive positions in the coming weeks.

The company said Dr Chiplin was "one of the most successful life sciences professionals in the Australian industry".

Calzada said Dr Chiplin had conducted a corporate re-engineering of antibody developer Arana Therapeutics, which resulted in the 2009 acquisition by Cephalon for \$329 million at a 70 percent premium to the market valuation.

The company said Dr Chiplin was a director of Benitec, Progen, Sciencemedia and Velocity Partners.

Calzada was untraded at 2.2 cents.

## ATCOR MEDICAL

Atcor has requested a trading halt pending an announcement on a potential capital raising.

Trading will resume on October 20, 2010 or on an earlier announcement.

Atcor last traded at 12 cents.

## KARMELSONIX

Karmelsonix has requested a trading halt pending an announcement "regarding the status of the board restructure and current capital raising program".

Trading will resume on October 20, 2010 or on an earlier announcement.

Karmelsonix last traded at 1.7 cents.