



Biotech Daily

Wednesday October 20, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN:
- ANTISENSE, PRANA UP 8%; LIVING CELL DOWN 12%**
- * **AUSBIOTECH OPENS WITH IDEAS, POLICIES AND A FEW GONGS**
- * **ADVANCED SURGICAL DISTRIBUTES PERMEDICA'S DEVICES**
- * **ANGIOBLAST VOTES TO MERGE WITH MESOBLAST**
- * **ATCOR PLACEMENT RAISES \$1m; 1-FOR-6 RIGHTS ISSUE FOR \$1.3m**
- * **TRIDENT APPOINTS DR DAVID FULLER CHIEF MEDICAL OFFICER**
- * **DR ALAN ROBERTSON BACK AS PHARMAXIS' FULL-TIME CEO**
- * **NEARLY ALL CHANGE AT KARMELSONIX; \$2m CONVERTIBLE NOTE**

MARKET REPORT

The Australian stock market fell 0.66 percent on Wednesday October 20, 2010 with the S&P ASX 200 down 30.8 points to 4624.9 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 16 fell, five traded unchanged and four were untraded.

Antisense and Prana were best, both up 7.7 percent to 1.4 cents and 14 cents, respectively, with 500,000 shares and 70,869 shares traded, respectively.

Impedimed climbed 6.6 percent; Patrys was up 5.9 percent; Phosphagenics and Phylogica were up more than four percent; Prima and Sirtex were up more than three percent; Clinuvel rose 2.8 percent; with CSL and Heartware up more than one percent.

Living Cell led the falls, down 2.5 cents or 11.9 percent to 18.5 cents with 309,163 shares traded, followed by Optiscan down 11.6 percent to 3.8 cents with 55,000 shares traded.

Benitec lost 8.1 percent; Tissue Therapies was down 6.8 percent; Cellmid and Mesoblast fell more than four percent; Immuron, Novogen, Pharmaxis and Sunshine Heart were down more than three percent; Chemgenex shed 2.3 percent; with Bionomics, Circadian, Nanosonics and Starpharma down more than one percent.

[AUSBIOTECH, VICTORIA GOVERNMENT, GLAXOSMITHKLINE, ROCHE](#)

Ausbiotech's 2010 conference was formally opened by chief executive officer Dr Anna Lavelle, Victoria's Innovation Minister Gavin Jennings and US BIO chief executive officer Jim Greenwood.

The opening session of the conference saw the University of Adelaide's Natasha Rogers win the Glaxosmithkline student excellence award for research demonstrating the ability of curcumin, an extract of turmeric, to protect kidney cells from organ damage from blood flow during surgery. Glaxosmithkline's head of research and development alliances Dr Ashley Bates awarded Ms Rogers a \$7,000 travel grant and \$2,000 for her research supervisor.

The runners up were: the University of Queensland's Jeremy Barr; the University of Tasmania's Vipul Agarwal; Monash University's Gregor Lichtfuss; and the University of Western Australia's Stephan Karl.'

The Roche excellence awards were given to Circadian founder Leon Serry, BR Angels director Dr John Ballard and former Ausbiotech chairman Dr Simon Carroll.

Roche's director of partnering in Asia, Dr Stella Xu said that "as the biggest biotech company in the world Roche is always interested in Australian biotechnology companies". Described as the "father of Australian biotechnology" Mr Serry called for greater efforts to fund phase III trials, saying there were funds for earlier stage development, but "the only way to have an industry is to fund phase III trials" that cost \$200 million to \$300 million. He called for a 100 percent tax deduction for investment in phase III trials and said that Switzerland, a country comparable to Australia, had two drug companies that were larger than the mining giants BHP and RIO.

Dr Ballard said he started as a research scientist, discovered a novel growth factor and founded Gropep, but as "angel investor" he was able to give something back to the industry. "It's all been fun," Dr Ballard said.

Ausbiotech's longest serving director Dr Carroll was described as "a driving force behind the organization's success" and said it had grown from 300 members with a budget of \$130,000 to 3,000 members with a budget of \$5.6 million and 19 staff.

Dr Lavelle said it was time to look at how capital was raised and take the industry "to the next level". She said biotechnology was not a niche player and had a role to play in meeting a raft of challenges of the coming century.

Mr Jennings said the Victorian Government was proud to be a partner to the biotechnology industry.

"We understand the importance of the sector to our economy," Mr Jennings said.

"We in Victoria don't think this capability happens by accident. It requires investment and planning," Mr Jennings said.

Mr Greenwood said pain and suffering from disease was incalculable and biotechnology was able to solve many of the world's problems.

He said Australia "has emerged as robust presence" in the global industry and "routinely has one of the largest delegations at BIO".

Mr Greenwood said he was "always impressed by Australian innovation and collaboration".

"Science in Australia is exciting and attracting investors, but the best science and business leaders won't succeed without policy decisions," Mr Greenwood said.

He gave as one example the need for intellectual property protection to encourage innovation.

Mr Greenwood said Australian companies entering the large and open market of the US should use his organization as a resource.

"We are only at the beginning of the biotech century," Mr Greenwood said.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical will distribute a broad range of Permedica SpA's implantable orthopaedic devices.

Advanced Surgical said it had entered into a major and strategic agreement with the Italian orthopaedic group Permedica to sell its devices into a greatly expanded market in Australia.

The company said the combined hip and knee market in Australia was estimated to be more than \$400 million a year.

Advanced Surgical said the new product range would leverage its established sales and marketing resources.

The company said Permedica product lines included hip replacements of established design and clinical history, which would complement its Active Knee which had "more than 18 years of excellent clinical results".

Advanced Surgical said early revenues were expected in the 2011 financial year following Australian regulatory approval to sell the Permedica devices.

The company said its Active artificial knee would continue to be a major source of revenue and was experiencing increased revenues for the current financial year.

Advanced Surgical chief executive officer Dr Greg Roger said the company was "absolutely committed to growing both sales and bottom line profitability".

"Our relationship with Permedica will enable ASDM to capitalize on our core strengths by profitably selling a much larger product range," Dr Roger said.

Advanced Surgical was untraded at 40 cents.

MESOBLAST, ANGIOBLAST SYSTEMS

Mesoblast says stockholders of its US sister company Angioblast have voted to become a wholly-owned subsidiary of Mesoblast.

In an interview with Biotech Daily, the companies' executive director Prof Silviu Itescu said he owned "less than 50 percent of Angioblast" and about 34 percent of Mesoblast (BD: June 13, 2008).

Mesoblast said it would issue about 94.6 million Mesoblast shares to Angioblast shareholders to increase its ownership from 32.8 percent to 100 percent.

Mesoblast said the acquisition would enable it to broaden its product pipeline to include cardiovascular, oncology, eye, and diabetes indications, in addition to its orthopedic range of products.

Mesoblast fell 11 cents or 4.5 percent to \$2.34.

ATCOR MEDICAL

Atcor says it has raised \$1.02 million through the placement of 14.55 million shares at seven cents a share and hopes to raise \$1.34 million through a one-for-six rights issue.

Atcor said the funds would be used to accelerate its product development program, for legal and consulting costs for coding and coverage in the US and for working capital.

Atcor said the record date for the seven cents a share rights issue was November 4, 2010. The company said the rights issue would open on November 10 and close on November 26, 2010.

Atcor fell 2.5 cents or 20.8 percent to 9.5 cents.

TRIDENT CLINICAL RESEARCH

Trident has appointed Dr David Fuller as its chief medical officer.

The Adelaide-based clinical research organization said Dr Fuller was formerly Arana's chief medical officer and would manage the development of its clinical trial services across a range of therapeutic conditions in both drug and medical device areas.

Trident said Dr Fuller was qualified in medicine and pharmacy and had more than 20 years experience in clinical development and commercialization.

Trident said Dr Fuller was previously head of clinical and site general manager at Genzyme and had leadership roles at Orphan Medical and Cenex.

Trident is a private company.

PHARMAXIS

Pharmaxis says Dr Alan Robertson has formally resumed his role as chief executive officer after a period of medical leave for an undisclosed illness.

Pharmaxis chairman Denis Hanley said: "Dr Robertson has made a full recovery and we welcome him back."

Mr Hanley thanked the management team, particularly chief operating officer Gary Phillips "for the leadership provided in Alan's absence".

Pharmaxis fell nine cents or 3.1 percent to \$2.81.

KARMELOXIX

Karmeloxix has changed all members of its board including founding directors and inventor Prof Noam Gavriely, with the exception of continuing director Paul Eisen.

Karmeloxix said chairman Peter Marks, chief medical officer Prof Noam Gavriely, Prof Nathan Intrator, Amir Ohad and Dr Henry Pinski had all resigned.

They will be replaced by the US-based Ross Haghghat as interim chairman and chief executive officer, Jerome Kortan, Paul Hopper and Fabio Pannuti.

The reasons for the significant changes were not clear from the media release to the ASX and at the time of publication, Biotech Daily had not been able to contact anyone from the company for a definitive explanation.

"These new directors individually and collectively bring an enormous range of skills and experience to the board and specifically, the new directors have been associated with the successful commercialization of new technologies and have navigated the range of challenges associated with bringing new technologies to the market," Mr Haghghat said.

Karmeloxix said Mr Eisen would remain on the board as an executive director until a permanent chief executive officer was appointed.

The company said Prof Gavriely remained as chief medical officer and Mr Marks will advise the board during its transition.

Karmeloxix is developing acoustic respiratory monitoring to manage chronic respiratory conditions.

Separately the company announced it had raised \$2 million through the issue of a convertible note.

Karmeloxix was up 0.4 cents or 23.5 percent to 2.1 cents with 10.8 million shares traded.