



Biotech Daily

Friday September 17, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BENITEC UP 19%, SUNSHINE HEART DOWN 13%**
- * **RESMED: 'INCREASED APNOEA PATIENT COMPLIANCE WITH S9 DEVICE'**
- * **CIRCADIAN BUYS BACK UNMARKETABLE PARCELS**
- * **CORRECTION: SUNSHINE HEART**
- * **BIOPROSPECT DIRECTOR LEO KHOURI RESIGNS OVER SOLAGRAN**

MARKET REPORT

The Australian stock market recovered 0.73 percent on Friday September 17, 2010, with the ASX200 up 33.6 points to 4638.9 points.

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

Benitec was best on no news, up 0.4 cents or 19.1 percent to 2.5 cents with 60,000 shares traded, followed by Patrys up 9.3 percent to 8.2 cents with 130,000 shares traded.

Mesoblast and Pharmaxis climbed seven percent or more; Cathrx was up 5.3 percent; Nanosonics and Novogen were up more than four percent; Psivida was up 3.2 percent; Living Cell, Prima and QRX rose more than two percent; with Chemgenex, Immuron and Phosphagenics up more than one percent.

Sunshine Heart led the falls, down 0.4 cents or 13.3 percent to 2.6 cents with 844,015 shares traded, followed by Viralytics down 8.6 percent to 3.2 cents with 315,670 shares traded.

Circadian lost 7.8 percent; Cellmid fell 4.8 percent; Biota and Virax were down more than three percent, both on moderate volumes; Starpharma shed 2.7 percent; with Cellestis down 1.6 percent.

[RESMED](#)

Resmed says a clinical study has shown greater sleep apnoea patient compliance with its new S9 continuous positive airway pressure (CPAP) device.

Resmed said the study of 50 patients suffering from sleep apnoea showed an improvement of 30 minutes in average daily usage, from a mean of 6 hours 35 minutes on the patient's usual CPAP device, to 7 hours 5 minutes, when using the new S9 Series.

The company said sleep apnoea was a common, but highly undiagnosed, sleep disorder, with obstructive sleep apnoea the most common type of sleep apnoea - marked by the collapse or obstruction of the airway during sleep.

The most effective treatment was continuous positive airway pressure therapy, in which pressurized air was delivered through a mask that fits over the nose, or nose and mouth.

Resmed said the pressurized air kept the upper airway open.

The company said compliance was affected by potential negative side effects, such as noise from the device, nasal dryness and or congestion and breathing discomfort.

Resmed said the S9 Series reduced noise, improved humidification and had a more comfortable breathing system.

Resmed's sleep business senior vice-president Michael Farrell said the S9 Series "provides a significant, patient-perceptible difference in comfort; a true leap-forward for sleep apnoea therapy".

Resmed said that Harvard Medical School studies showed that a lack of sleep negatively affects perception and judgment and in the workplace sleep deprivation can result in reduced efficiency and productivity, errors and accidents.

Resmed was up one cent or 0.28 percent to \$3.55 with two million shares traded.

[CIRCADIAN TECHNOLOGIES](#)

Circadian will buy back unmarketable share parcels valued at \$500 or below at the record date of September 13, 2010.

Circadian said it appreciated the support of all shareholders but there were "significant administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding". The company said the cost of maintaining small accounts was disproportionately high and investors holding small numbers of shares could find it difficult or expensive to dispose of those shares through the normal means.

September 6, 2010, Circadian had 3,532 shareholders of which 683 held unmarketable as at September 13, 2010. The offer closes on October 29, 2010.

Circadian fell 4.5 cents or 7.8 percent to 53 cents.

[CORRECTION: SUNSHINE HEART](#)

Last night's first edition described Sunshine Heart's capital raising as including a one-for-two non-renounceable rights offer. The company says the entitlement ratio has not been decided.

Sunshine Heart will provide one free attaching option for every two new shares acquired.

The second placement of up to \$7.3 million will take place within three months of the extraordinary general meeting not in three months as reported.

Biotech Daily's sub-editor was confused by the ongoing building construction and unsettled by the imminent move to the company's new facilities. He has been duly admonished and is lucky the foundations were poured six months ago.

Sunshine Heart fell 0.4 cents or 13.3 percent to 2.6 cents.

BIOPROSPECT. SOLAGRAN

Leo Elias 'The Gun' Khouri has resigned as a director of Bioprospect effective from September 16, 2010 to avoid a conflict of interest over legal disputes with Solagran. Bioprospect said Mr Khouri resigned after "careful consideration by Mr Khouri and members of the board in regards to the current dispute with Solagran".

The company said Mr Khouri was "extremely mindful of any possibility of any conflict of interest as he, personally, is currently involved in a case in the Federal Court against Solagran and other related parties claiming substantial damages and as a result has decided to stand down".

Last month, Gun Capital Management filed a claim of misleading or deceptive conduct against Solagran, Solamind and their chairman and director Dr Vagif Soultanovich Soultanov (BD: Aug 26, 2010).

Separately, Bioprospect is in dispute with Solagran over a 2007 development agreement saying there were two aspects to the dispute including alleged misrepresentations made by Solagran concerning the nature and extent of Solagran's intellectual property rights in and to the Bioeffectives technology and Solagran's obligation to supply Bioeffectives to Bioprospect at cost price (BD: Jul 29, 2010).

Bioprospect said at that time that it believed that Solagran's supply of Bioeffective A, known as conifer green needle complex was not at cost price.

Bioprospect said it had exercised its right under the agreement to audit Solagran's books and records to verify its compliance with the agreement.

Solagran said it had sought legal advice and to date has not provided its books to Bioprospect.

Today, Bioprospect said its directors supported Mr Khouri's decision and thanked him for his support since his appointment in September 2009.

The company said Mr Khouri would continue to assist Bioprospect as required, by providing advice on potential investors, acquisitions, strategic alliances and other corporate transactions to enhance shareholder value.

The Bioprospect versus Solagran case has been set down for a hearing at the Federal Court of Western Australia on September 22, 2010.

The Gun Capital claim against Solagran has been set down for a directions hearing in the Federal Court of Western Australia on September 30, 2010.

Bioprospect was down 0.1 cents or 8.3 percent to 1.1 cents.

Solagran was up one cent or 7.1 percent to 15 cents.