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Q2 2011
Canadian Healthcare Review
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A review of Q2 2011 sector events (Appendix 2) shows a greater number of commercial events as compared to later stage data or regulatory events on novel drug products. These commercial events included mergers, acquisitions, in-licensing, partnering, R&D agreements and product launches.

A key event in late Q1 was the hostile proposal by Valeant Pharmaceuticals to acquire Cephalon (Nasdaq: CEPH) for US\$73.00 per share in cash, or alternatively buy all non-cancer assets for US\$2.8 billion. During Q2 Teva Pharmaceutical (Nasdaq:TEVA) agreed to acquire Cephalon for US\$81.50 per share. Prior to these events, Cephalon had agreed to acquire GeminX Pharmaceuticals, a private cancer drug development company with Montreal origins and Canadian VC investors, and this deal subsequently closed.

The annual conference for ASCO (American Society of Clinical Oncology) was held in Chicago from June 3 to 7. According to media and attendee reports, two new products reporting extended survival in metastatic melanoma, Yervoy (ipilimumab) from Bristol-Myers Squibb and vemurafenib from Roche and Daiichi Sankyo, received the most attention. Clinicians were looking for information on how to use these new products to treat their patients. An important factor will likely be the patient's BRAF V600E mutation status, which highlights the importance of biomarkers during clinical studies. Biotech companies and stock analysts were looking to see which drug would be the best-in-class and assess whether there was room for additional competitive products.

Financings

Gross proceeds of equity and convertible debt financings completed in Q2 totaled \$157.3 million (Appendix 1). The companies with financings over \$10 million which were completed in Q2 2011 are:

- \$46.01 million – Leisureworld Senior Care;
- \$34.49 million - MethylGene;
- \$17.40 million – Medicago;
- \$13.07 million – YM BioSciences; and
- \$12.60 million – Resverlogix.

Financings for larger, profitable companies (Leisureworld in Q2) and some special financing situations need to be taken out of the equation in order to get a true assessment of the financing situation for public development stage companies. The financings for public development stage companies in the first six months of 2010 and 2011 were almost the same at \$187.9 M and \$200.9 M, respectively. There were 16 financings under \$10 million with total proceeds of \$33.7 million in Q2, versus 25 financings for \$37.8 million in Q1.

Financings By Development Stage Companies (\$ million)

Quarter	2005-2007 (Average)	2009	2010	2011
Q1	\$378.4	\$64.5	\$115.2	\$89.6
Q2	\$270.6	\$177.5	\$72.7	\$111.3
Q3	\$97.3	\$103.4	\$82.5	--
Q4	\$292.2	\$152.8	\$267.3	--
Total	\$1,038.5	\$498.2	\$537.7	\$200.9

Source: Previous Equicom Healthcare Reviews

Share Price Performance

Share price performance in Q2 2011 for a group of 104 public Canadian healthcare companies is summarized below¹.

	2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2
Number of companies with:						
Increase of 40% or more	13	4	11	13	11	6
Decrease of 40% or more	5	13	9	5	4	7
Median change	-3%	-15%	-3%	+3%	-3%	-6%
Average change	+4%	-13%	+3%	+10%	+6%	-4%
TSX Composite Index	+2%	-6%	+10%	+9%	+5%	-6%
TSX Venture Composite Index	+4%	-10%	+12%	+33%	0%	-17%
NASDAQ Biotech Index	+11%	-15%	+12%	+8%	+7%	+6%

Group Q2 Summary

- Median and average share price changes of -6% and -4%, respectively;
- Losers outnumbered the gainers by 65 to 37;
- Six companies with a share price increase of 40% or greater; and
- Seven companies with a share price decrease of 40% or more.

Group H1 Summary

- Median and average share price changes of -3% and +6%, respectively;
- Losers outnumbered the gainers by 57 to 45;
- Fifteen companies with a share price increase of 40% or greater; and
- Fifteen companies with a share price decrease of 40% or more.

¹ The Equicom Canadian public healthcare sector included 132 companies for the 2011 reports. We have chosen to use the prices of 104 public Canadian healthcare companies with share prices at or above \$0.10 on December 31 2010 for the 2011 performance assessment (2 of these companies have now ceased trading). There are differences between this group of companies and the companies used for the 2010 assessment.

Q2 Sub-Group Analysis (2011 starting share price > or = \$1.00; 44 companies)

- Median and average share price changes of -5% and -4%, respectively
- Losers outnumber gainers by 26 to 18
- One company with a share price increase of 40% or greater
- Three companies with a share price decrease of 40% or more

Q2 Sub-Group Analysis (2011 starting share price < \$1.00; 58 companies)

- Median and average share price changes of -7% and -5%, respectively
- Losers outnumbered the gainers by 39 to 19
- Five companies with a share price increase of 40% or greater; and
- Four companies with a share price decrease of 40% or more

In our financing review in Appendix 1, we group the companies conducting financings according to their product focus – therapeutics, drugs & diagnostics, services, and other. The companies could also be grouped according to their revenues and profitability. The following assessment was based on a review of the most recent financial statements from each company and occasional assumptions by the authors on performance expected in 2011.

- Revenues - 50 public companies in the Canadian healthcare group are anticipated to have revenues of \$5 million or more in 2011. These revenues can be from direct sales of products or services or from sales of products or services by a third party.
- Profitability - 25 of these 50 companies are profitable based on positive net income or, in the case of some REITs, on positive AFFO (adjusted funds from operations). Additional companies have positive EBITDA or cash flow from operations and are close to profitability.
- Dividends and distributions - 10 companies in the sector provide dividends or distributions, important attributes to some investors.

Companies	Ticker	Yield* (%)
Medical Facilities	DR	9.3
Futuremed Healthcare Products	FMD	8.3
CML Healthcare	CLC	8.1
Extencare REIT	EXE.UN	8.1
Leisureworld Senior Care	LW	7.8
Chartwell Seniors Housing REIT	CSH.UN	6.4
Prism Medical	PM	6.2
K-Bro Linen	KBL	5.1
Nordion	NDN	3.7
Opmedic Group	OMG	2.3

Yield is based on closing price on June 30

Appendix 1. Financings by Public Canadian Healthcare Companies During Last Twelve Months (Q3 2010 – Q2 2011)

Company	Ticker	Sector	Equity	Convertible debt	Warrants (%)	Notes
			(C\$ million)			
Q3 2010						
July						
Bradmer Pharmaceuticals	BMR.H	Thera	0.50			
Response Biomedical	RBM	D&D	8.00			
Advitech	AVI	Other	1.50		100	
Hamilton Thorne	HTL	Other		0.50		1
<i>Monthly Totals</i>			10.00	0.50		
August						
Helix BioPharma	HBP	Thera	11.00		100	
Medicago	MDG	Thera	7.50		75	
IntelGenx	IGX	Thera	2.60		100	
SQI Diagnostics	SQD	D&D	5.70		50	
T-Ray Science	THZ	D&D	0.77	0.00	50	
Medifocus	MFS	D&D	0.73		100	
AIM Health Group	AHG	Services	0.71			
Changyu MedTech	CYQ	Other	0.62			
Medipattern	MKI	D&D		1.80		
Hamilton Thorne	HTL	Other		0.75		1
<i>Monthly Totals</i>			29.63	2.55		
September						
Oncothyreon	ONTY	Thera	14.90		75	1
Immunovaccine	IMV	Thera	7.47		50	
PharmaGap	GAP	Thera	0.80		100	
Welichem Biotech	WBI	Thera	0.75			3
Northstar Healthcare	NHC	Services	5.00			
Imaging Dynamics	IDL	D&D	1.48			3
Noveko	EKO	Other	4.44			
Alda Pharmaceuticals	APH	Other	0.33		100	
Chemaphor	CFR	Other	0.16		50	
Isotechnika Pharma	ISA	Thera		4.50		1, 4
<i>Monthly Totals</i>			35.33	4.50		
Q3 Totals			74.96	7.55		
			82.51			
Q3: Other Financing Vehicles			Vehicle	Amount		
Medicago	MDG	Thera	Government	21.00		1
Oncothyreon	ONTY	Thera	SEDA	20.00		1
MethylGene	MYG	Thera	ELF	15.00		
Lorus Therapeutics	LOR	Thera	Debt	1.50		
Ondine Biomedical	OBP	Thera	Sale of assets	0.66		1
Miraculins	MOM	D&D	Warrants	0.85		

Cynapsus	CTH	Thera	Debt	0.70		
Ranaz	RNZ	Other	Debt	0.25		
Vigil Health Solutions	VGL	Other	Debt	0.20		
Q4 2010			Equity	Convertible debt	Warrants (%)	Notes
			(C\$ million)			
October						
OncoGenex	OGXI	Thera	50.00		50	1
Neptune Technologies	NTB	Thera	2.65			
Sernova	SVA	Thera	0.57		50	
Chartwell Seniors Housing	CSH.UN	Services	130.17			
NorthWest Healthcare	NWH.UN	Services	75.02			
Chemaphor	CFR	Services	0.18		50	
VentriPoint Diagnostics	VPT	D&D	1.07			
Noveko	EKO	Other	0.90			
<i>Monthly Totals</i>			<i>260.56</i>	<i>0.00</i>		
November						
Oncolytics Biotech	ONC	Thera	28.77		50	
Prottox Therapeutics	PRX	Thera	10.00		60	5
Lorus Therapeutics	LOR	Thera	4.66		100	3
PharmaGap	GAP	Thera	0.57		100	
Sernova	SVA	Thera	0.43		50	
NorthWest Healthcare	NWH.UN	Services	11.25			
IMRIS	IM	D&D	55.50			1
GeneNews	GEN	D&D	1.18		100	
biOasis	BTI	D&D	1.03		50	
Stellar Biotechnologies	KLH	Other	3.73		100	
Zecotek Photonics	ZMS	Other	1.47		50	
Bionix	BTX	Other	0.95		50	
Allon Therapeutics	NPC	Thera		10.00		1
Centric Health	CHH	Services		5.00		
GeneNews	GEN	D&D		0.95	400	
<i>Monthly Totals</i>			<i>119.54</i>	<i>15.95</i>		
December						
YM BioSciences	YM	Thera	46.00			1
Bioniche Life Sciences	BNC	Thera	16.68			
Isotechnika Pharma	ISA	Thera	2.38			1, 6
Lorus Therapeutics	LOR	Thera	1.66			
Ondine Biomedical	OBP	Thera	0.67		100	
Sernova	SVA	Thera	0.22		50	
Microbix	MBX	Thera	0.60		100	
Titan Medical	TMD	D&D	8.25		100	
MedMira	MIR	D&D	1.00		100	
Pyng Medical	PYT	D&D	0.60			
CardioComm Solutions	EKG	D&D	0.30		100	

T-Ray Science	THZ	D&D	0.25		50	
QHR Technologies	QHR	Services	8.00		50	8
Miraculins	MOM	Other	0.73		50	
Kane Biotech	KNE	Other	0.25		100	
Chemaphor	CFR	Other	0.08		50	
<i>Monthly Totals</i>			<i>79.67</i>	<i>0.00</i>		
Q4 Totals			467.77	15.95		
			483.72			
Q4: Other Financing Vehicles			Vehicle	Amount		
Valeant Pharmaceuticals	VRX	Thera	Debt	1,000.00		1
Transition Therapeutics	TTH	Thera	License	9.00		1
BELLUS Health	BLU	Thera	License	5.00		
Isotechnika	ISA	Thera	License	5.00		1, 6
Centric Health	CHH	Services	Debt	5.00		
Bioniche Life Sciences	BNC	Thera	License	4.00		
DiaMedica	DMA	Thera	Warrants	2.70		
Stem Cell Therapeutics	SSS	Thera	Warrants	1.82		
Ceapro	CZO	Other	Government	1.34		
Sonomax	SHH	Other	Warrants	0.64		
GeneNews	GEN	D&D	Government	0.63		
SemBioSys Genetics	SBS	Thera	Non-dilutive	0.50		
Cynapsus	CTH	Thera	Debt	0.10		
Q1 2011			Equity	Convertible debt	Warrants (%)	Notes
			(C\$ million)			
January						
Bioniche Life Sciences	BNC	Thera	12.73			7
Cynapsus Therapeutics	CTH	Thera	0.29		100	
Allon Therapeutics	NPC	Thera	0.20			2
VentriPoint Diagnostics	VPT	D&D	1.81		50	
Theralase	TLT	D&D	0.74		50	
CardioComm Solutions	EKG	D&D	0.15		100	
Alda	APH	Other	0.20		100	
Cynapsus Therapeutics	CTH	Thera		0.30		
<i>Monthly Totals</i>			<i>16.12</i>	<i>0.30</i>		
February						
Paladin Labs	PLB	Thera	40.25			
IntelliPharmaceuticals	I	Thera	12.00			1
PharmaGap	GAP	Thera	0.84		100	
Zecotek Photonics	ZMS	D&D	6.50		50	
Verisante	VRS	D&D	1.00		100	
Amorfix Life Sciences	AMF	D&D	0.50			
CardioComm Solutions	EKG	D&D	0.15		100	
GLG LifeTech	GLG	Other	58.19			
EnWave	ENW	Other	12.07		50	
Sonomax	SHH	Other		1.54		
<i>Monthly Totals</i>			<i>131.50</i>	<i>1.54</i>		

March						
Helix Biopharma	HBP	Thera	6.14		100	
Sirona Biochem	SBM	Thera	2.30		50	
Merus Labs	MR	Thera	2.10		100	
Stem Cell Therapeutics	SSS	Thera	2.00		50	
YM BioSciences	YM	Thera	1.36			1,8
Critical Outcome	COT	Thera	1.30		100	
PharmaGap	GAP	Thera	0.20		100	
Novadaq Technologies	NDQ	D&D	15.00		45	
Imaging Dynamics	IDL	D&D	0.88		50	
Centric Health	CHH	Services	21.53			
Noveko	EKO	Other	2.50		50	
Allegiance Equity	ANQ	Other	0.10			
SemBioSys Genetics	SBS	Thera		4.00		
Medipattern	MKJ	D&D		3.00		
Hamilton Thorne	HTL	Other		0.65		
<i>Monthly Totals</i>			<i>55.41</i>	<i>7.65</i>		
Q1 Totals			200.03	9.49		
				209.52		
Q1: Other Financing Vehicles			Vehicle	Amount		
Valeant Pharmaceuticals	VRX	Thera	Debt	650.0		1
Oncolytics Biotech	ONC	Thera	Warrants	7.67		
Oncolytics Biotech	ONC	Thera	Warrants	6.80		
Paladin Labs	PLB	Thera	Asset sale	4.25		
SemBioSys Genetics	SBS	Thera	Debt	4.00		
Immunovaccine	IMV	Thera	Government	2.9		
Aeterna Zentaris	AEZ	Thera	Milestone	2.50		1
EnWave	ENW	Other	Warrants	2.24		
Miraculins	MOM	D&D	Warrants	0.55		
Q2 2011			Equity	Convertible debt	Warrants (%)	Notes
				(C\$ million)		
April						
MethylGene	MYG	Thera	34.49		30	
Medicago	MDG	Thera	17.40		25	
YM BioSciences	YM	Thera	13.07			1
Adherex	AHX	Thera	2.57		100	3
Microbix	MBX	Thera	0.72		50	
Critical Outcome	COT	Thera	0.70		100	
Verisante Technology	VRS	D&D	5.00		100	
Medifocus	MFS	D&D	0.46		100	
Leisureworld Senior Care	LW	Services	46.01			
Kane Biotech	KNE	Other	2.39		100	
Noveko	EKO	Other	0.60		50	
Chemaphor	CFR	Other	0.59		50	
<i>Monthly Totals</i>			<i>124.00</i>			

May						
Med BioGene	MBI	D&D	0.21		50	
Vigil Health Solutions	VGL	Other	0.52		50	
Chemaphor	CFR	Other	0.30		50	
<i>Monthly Totals</i>			<i>1.03</i>			
June						
Resverlogix	RVX	Thera	12.60		50	
Tekmira Pharma	TKM	Thera	5.10		50	
IntelGenx Technologies	IGX	Thera	3.23		50	1
Sernova	SVA	Thera	1.01		100	
Titan Medical	TMD	D&D	9.20		100	
VentriPoint Diagnostics	VPT	D&D	1.13		50	
<i>Monthly Totals</i>			<i>32.27</i>			
Q2 Totals			157.30	0.00		
			157.30			
Q2: Other Financing Vehicles			Vehicle	Amount		
Aeterna Zentaris	AEZ	Thera	ATM	Up to 9.5 M shares		
iCo Therapeutics	ICO	Thera	ELF	Up to \$10 M		
GeneNews	GEN	D&D	Warrants	2.99	100	
Cynapsus Therapeutics	CTH	Thera	Debt	0.50		
Advitech	AVI	Other	Debt	0.40		
Financings Announced But Not Closed By June 30						
Spectral Diagnostics	SDI	Thera	10.00			
TearLab	TLB	D&D	7.01		100	1
Verisante	VRS	D&D	5.00		100	
DiaMedica	DMA	Thera	3.00		100	
Lorus Therapeutics	LOR	Thera	2.00			
Innovotech	IOT	D&D	1.50		50	
Medifocus	MFS	D&D	0.30		50	
Acasti Pharma	APO	Thera	Rights offering			

Source: company reports, regulatory filings and press releases

Sectors: Therapeutics (Thera); Services; Devices & Diagnostics (D&D); Other

Notes:

1. Financing in US\$; converted to C\$ using the factor US\$1.00 = C\$1.00
2. SEDA drawdown
3. Rights offering
4. From a corporate partner
5. Second tranche of \$25 million expected in H2 2011
6. ILJIN transaction also includes second and third tranches for US\$8.5 and US\$9.0 million
7. Australian offering
8. Added since initial publication of the quarterly financings

Appendix 2. Selected Clinical, Regulatory and Partnering Events in Q2 2011

Company	Events
Advitech	Entered into a merger agreement with Natunola Health Biosciences to create a leading company in personal care and health food ingredients
Allon Therapeutics	Reached 50% enrolment in its pivotal Phase 2/3 clinical trial evaluating davunetide as a potential treatment for progressive supranuclear palsy
Atrium Innovations	Purchased Montreal-based Robert & Fils, the largest Quebec distributor of Atrium's premium natural health products targeting healthcare practitioner and health food and specialty store channels
BELLUS Health	With its strategic partner Celtic Therapeutics, commenced recruitment for the global confirmatory phase III clinical trial for KIACTA
BioWest Therapeutics	Progressing towards completion of its previously announced change of business from a biotechnology company to an "Investment Issuer"; formerly called Migenix, and before that Micrologix
Centric Health	Completed the acquisition of LifeMark Health, one of Canada's largest rehab and physiotherapy services companies with a network of over 120 clinics and contracts with 122 senior homes (13,482 beds), for an aggregate consideration of up to approximately \$290 M Agreed to acquire the Blue Water Surgical & Medical Centres (three state-of-the-art surgical and endoscopy facilities) and a 75% stake in the London Scoping Centre Agreed to acquire certain assets of DNPI Group from the court-appointed receiver; the assets include a network of 10 specialty pharmacies servicing 33 methadone treatment centers across Ontario
China Health Labs & Diagnostics	Announced that it had completed installation of 120 BK Clinlabs from its contract to install 587 labs in Jilin Province; these labs are now operational and initial purchases of testing reagents have been made
Cipher Pharmaceuticals	Announced a distribution and supply agreement in which Vertical Pharmaceuticals, a specialty pharmaceutical company, gained exclusive rights to market, sell and distribute CIP-TRAMADOL ER in the U.S. Provided top-line results from the Phase III safety study of CIP-ISOTRETINOIN for the treatment of severe, nodular acne; the 925-patient study compared CIP-ISOTRETINOIN to a commercially available isotretinoin product; the top-line data was positive showing no overall statistical differences in the adverse event profile between the two products; from an efficacy perspective, the first primary endpoint was achieved while the second endpoint fell slightly outside the non-inferiority margin target
Cynapsus Therapeutics	Entered into a preliminary agreement to acquire Adagio Pharmaceuticals, including the intellectual property concerning the APL-130277 patent rights and know-how
DiagnoCure	Signal Genetics acquired a worldwide exclusive license to the Previstage GCC Colorectal Cancer Staging Test, and acquired DiagnoCure's U.S. CLIA service laboratory; DiagnoCure will receive a US\$5.7 M upfront payment for the acquisition of DiagnoCure's U.S. laboratory, a minimum of US\$5.1 M in annual installments and royalty payments, and US\$2.5 M under an R&D agreement
EnWave	Signed a commercial license agreement with Milne Fruit Products to supply Radiant Energy Vacuum technology for the dehydration of a variety of specified fruit products; the Agreement includes a provision for royalty payments Signed an R&D agreement with Kellogg Company to measure the nutritional and commercial benefits of EnWave's nutraREV™ food dehydration technology within a broadly defined product area that includes cereal and cereal bars
Hamilton Thorne	Launched its IMSI STRICT morphology analysis software for the clinical and fertility markets at the 27th Annual Meeting of the European Society of Human Reproduction and Embryology in Stockholm, Sweden
iCo Therapeutics	Completed licensing bertilimumab (iCo-008) to Immune Pharma for systemic uses, while retaining all ocular rights; iCo may receive up to US\$32 M in milestones plus royalties
IntelGenx	Executed a binding term-sheet with RedHill Biopharma to co-develop and license an anti-psychotic oral thin film product U.S. FDA accepted the Company's resubmission of its antidepressant CPI-300 New Drug Application 505(b)(2) as complete and established November 13, 2011 as its PDUFA target action date

Intellipharmaceutics	Settled patent infringement litigation with Wyeth (Pfizer) relating to Intellipharmaceutics' U.S. generic version of Effexor XR; the agreement will permit Intellipharmaceutics to launch a generic of Effexor XR following U.S. FDA approval of this generic product AstraZeneca filed suit for patent infringement against Intellipharmaceutics relating to a U.S. FDA application for approval of Intellipharmaceutics' generic version of Seroquel XR
Isotechnika	The European Medicines Agency's decided not to approve Luveniq (voclosporin) as a treatment for noninfectious uveitis, which is being appealed by partner Lux Biosciences
K-Bro Linen	Agreed to acquire Les Buanderies Pierre R. Dextraze (Montreal) for cash consideration of \$4.2 million; Dextraze is a privately owned and operated commercial/industrial laundry
Leisureworld Senior Care	Agreed to acquire two luxury retirement residences for a total consideration of \$94.8 M; the Royalton retirement residences are located in Kingston and Kanata, Ontario
Med BioGene	Closed its previously announced commercialization agreement with Precision Therapeutics, which gains exclusive global rights to develop and commercialize LungExpress Dx
Medicago	Entered into a research collaboration agreement for the development of a non-influenza vaccine candidate with a global pharmaceutical company Reported positive final results from a Phase II trial with its H5N1 Avian Influenza VLP vaccine candidate, which induced a solid immune response and was found to be safe and well tolerated
Medipattern	Released Visualize:Vascular (Version1.1) for ultrasound visualization of carotid arteries; shipments have started and the first sites have been installed
Medwell Capital	Will acquire additional Spectral Diagnostics shares (\$10 million at \$0.30 per share) Will also distribute 54.3 M Spectral shares to its shareholders (all subject to approvals)
Nightingale Informatix	Partnered with ExpeData, an innovative software company and global leader in digital writing, to launch "Clinipen" which will enable EMR software providers to deliver an integrated digital writing solution with which healthcare providers can input structured data into a patient's EMR directly from paper
Northstar Healthcare	Agreed to acquire ownership interests in four physician owned radiation therapy cancer treatment centers from Dr. Chris Phan; the acquired interests range from 13 to 36% with the remaining ownership interests in the Texas based centers held by physician partners; Dr. Phan will join Northstar as the President of a newly formed cancer division
Nuvo Research	Completed its acquisition of ZARS Pharma, acquiring the products Pliaglis and Synera; acquisition costs include approximately 99.8 million common shares of Nuvo, \$0.1 million, assumed net debt of approximately US\$2.0 million, and may include promissory notes of up to \$22.9 M Covidien, its U.S. partner for Pennsaid, has hired JPMorgan Chase to handle the potential sale of its drug business Covidien revealed that a Phase 2 study of twice-daily administration of PENNSAID® Viscous Solution (previously referred to as PENNSAID Gel) met its primary endpoint of reducing osteoarthritis pain greater than a placebo vehicle control (p=0.042)
Oncolytics Biotech	Announced that it has entered into a commercial supply agreement with SAFC, a Division of Sigma-Aldrich Corporation, for the commercial manufacture of REOLYSIN
Ondine Biomedical	Will be taken private through acquisition of all issued and outstanding equity of Ondine by a company whose sole shareholder is Carolyn Cross, Chairman, Chief Executive Officer and a shareholder of Ondine
Paladin Labs	Acquired the exclusive Canadian rights to market and sell, upon regulatory approval, Elan's controlled release hydrocodone product for the treatment of moderate to severe pain Announced an agreement with Somaxon Pharmaceuticals to commercialize Silenor, used to treat insomnia, in Canada, South America and Africa; the regulatory filing to Health Canada is expected towards the end of 2011; Paladin acquired the rights for \$5.5 M, up to \$129 M in milestones and a double digit tiered royalty on net sales Launched the SEASONIQUE birth control pills in Canada
Prism Medical	Acquired Movement 2, a provider of home care patient moving and handling equipment, servicing and repair in the East Midlands region of the UK for total consideration of £0.8 M (approximately \$1.3 M); Movement 2 products include ceiling track hoists, floor hoists, shower chairs, and slings
ProMetic Life Sciences	Celgene will forgive US\$10M in long-term debt in return for intellectual property rights for specific commercial application of Prometics' Protein Technologies within restricted fields of use

Quest Pharmatech	Announced a clinical development agreement with U.S.-based Hemispherx Biopharma to evaluate the clinical utility of combining Quest's antibody immunotherapy technology with Hemispherx's immune activator in a thirty patient clinical trial, with costs of the clinical trial being shared equally
SQI Diagnostics	Received notice that the U.S. FDA has cleared its automated SQiDworks diagnostics platform and its IgXPLEX celiac qualitative assay for marketing Received permission from Health Canada to market its IgX PLEX Celiac Panel, a quantitative 4-plex panel
SXC Health Solutions	Agreed to acquire MedMetrics Health Partners, a PBM affiliated with a major medical school Announced that its HCIT unit has been awarded a three year contract from HealthPlus of Michigan, which serves 215,000 members, a five-year sub-contract to provide PBM services to the State of Nevada's 180,000 Medicaid members, and a service contract from Health Alliance Plan of Michigan, a health plan with an annual health spend of approximately \$250 M Expanded the contractual relationship with HealthSpring to include its newly acquired Bravo Health subsidiary
Spectral Diagnostics	Announced that the 15 clinical sites chosen for its EUPHRATES trial are all screening and able to enrol patients
Stem Cell Therapeutics	Enrolled the first patient in the open label Phase IIa traumatic brain injury trial
Thallion Pharmaceuticals	Announced the enrollment of the first patient in the high dose cohort of its Phase II SHIGATEC trial
Theratechnologies	MAA for tesamorelin accepted for review by EU regulators
TSO3	Resubmitted documentation to the U.S. regulatory authorities for the company's STERIZONE 125L+ Sterilizer (Optreoz125-Z for partner 3M)
Valeant Pharmaceuticals	Potiga (ezogabine) tablets, partnered with GSK, was approved by the FDA as an adjunctive treatment of partial-onset seizures Acquired rights to both Elidel (pimecrolimus 1% cream) and Xerese (acyclovir and hydrocortisone cream 5%/1%) from Meda for the U.S., Canada and Mexico Agreed to acquire AB Sanitas for approximately €314 million in cash; Sanitas has a broad branded generics product portfolio sold in nine countries throughout Central and Eastern Europe
VentriPoint Diagnostics	Entered into 10 agreements for deployment of its VMS – ultrasound imaging for assessing right ventricular function - with leading hospitals in Canada (3), Europe (2) and the United States (5)
Verisante Technology	Purchased all rights to the ClearVu and ClearVu Elite endoscopy systems for early lung cancer detection developed by Perceptronix Medical for undisclosed consideration
Victhom Human Bionics	Sold its share in Neurostream Technologies to its j-v partner Otto Bock Healthcare for an aggregate consideration of \$10 million in cash as well as the payment of royalties on the future net sales of the Neurostep System and eventual monetization proceeds of the sleep apnea and epilepsy technologies of Neurostream
Vigil Health Solutions	Released the Vitality Care System, a new wireless monitoring system featuring a new, discreet 'mini pendant' that takes advantage of new wireless standards to facilitate longer battery life and reliability in a compact design
YM BioSciences	Announced that it has received positive opinions from an EC committee to grant Orphan Medicinal Product Designation to its JAK1/JAK2 inhibitor, CYT387 (for which updated clinical data was presented at ASCO)

Source: Company releases and regulatory filings

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Dr. Schnarr has more than 30 years of experience in the pharmaceutical and financial industries and has been involved with cGMP manufacturing, corporate partnerships, mergers, and public market financings. He has been a biotechnology research analyst for four Canadian brokerage firms. He has held senior management positions and been a director for public and private biotechnology companies. He obtained his Ph.D. in Chemistry from Queen's University and his MBA from York University.

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