



20 Toronto Street, Suite 500,  
Toronto, ON, M5C 2B8  
phone: 416-815-0700  
fax: 416-815-0080



## Q2 2010 Canadian Healthcare Review

**James Smith, M.Sc. (Eng.)** *Vice President, Healthcare*  
**Wayne Schnarr, Ph.D, MBA** *Healthcare Consultant*

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### Financing

A weak financing climate for Canadian public healthcare companies continued in the second quarter. Gross proceeds of completed equity and convertible debt financings amounted to \$72.7 million (Appendix 1), bringing the total for the first half of 2010 to \$308.7 million. Two issuers accounted for more than half of the activity in the second quarter: Aeterna Zentaris completed two equity financings totaling US\$27.1 million and Resverlogix completed a \$10 million financing.

In order to get a true assessment of the financing situation for public development stage companies, financings for larger, profitable companies and some special financing situations need to be taken out of the equation. After removing them (see table below), one can see that the financing total in the first half of 2010 for development stage companies is 78% of the H1 2009 total but is only 29% of the first half average for 2005 to 2007.

#### Financings By Development Stage Companies (\$ million)

Quarter	2005-2007	2009	2010
	(Average)		
Q1	\$378.4	\$64.5	\$115.2
Q2	\$270.6	\$177.5	\$72.7
Q3	\$97.3	\$103.4	
Q4	\$292.2	\$152.8	
Total	\$1,038.5	\$498.2	\$187.9
<i>Source: Previous Equicom Healthcare Reviews</i>			

Other financing vehicles also provided some current and future funds for companies. New SEDA (Standby Equity Distribution Agreement) or similar arrangements were announced, including Medicago and LAB Research (up to \$10 million each), Patient Home Monitoring (up to \$5 million) and YM BioSciences (up to 7.75 million shares). The only SEDA drawdown was completed by Resverlogix (\$200,000). In another form of financing, MethylGene completed its corporate reorganization for current proceeds of \$7.2 million, potentially increasing to \$9.1 million.

Although there were no completed IPOs during this quarter, two U.S. companies became public on the TSX Venture Exchange via the RTO process. Stellar Biotechnologies (KLH:TSX-V) was acquired by CAG Capital with a concurrent private placement of \$3.2 million. Patient Home Monitoring (PHM:TSX-V) was acquired by International Health Partners with a concurrent private placement of \$4.5 million.

### Events

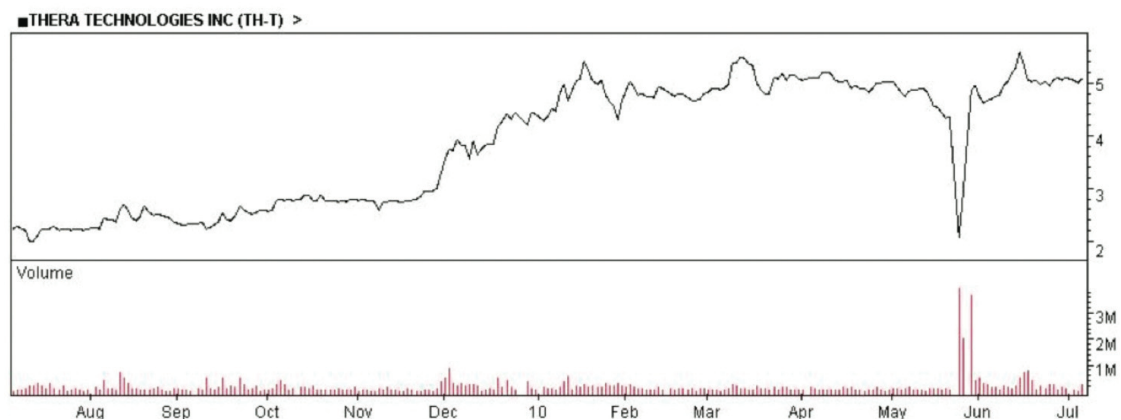
Select clinical, regulatory and partnering events for the Canadian healthcare sector during Q2 2010 are listed in Appendix 2. From this group of events we have chosen four highlights to review, the first two relating to NCEs approaching regulatory approval.

1. An FDA advisory committee voted unanimously on Thursday May 27<sup>th</sup> to recommend the approval of Theratechnologies' tesamorelin (Egrifita) for the reduction of visceral adipose tissue (VAT) in HIV patients. The share price and volume information for TH during that week and a one-year share price chart are shown below.

#### Share Prices And Volumes For Theratechnologies (May 21 to 31, 2010)

Date	Open	High	Low	Close	Volume (000)
May 21				4.37	96
May 24	Holiday in Canada				
May 25	4.25	4.25	1.83	2.09	3,957
May 26	2.33	3.55	2.22	2.90	2,028
May 27	Trading halted				
May 28	5.13	5.50	4.37	4.85	3,675
May 31	5.00	5.13	4.76	4.96	447

Source: TSX Connect



Source: TSX Connect

Theratechnologies has successfully taken one more step towards approval of tesamorelin but the reaction of investors might be considered cautious.

- The share price doubled during the period from acceptance of the NDA filing for review in mid-2009 to January 2010, at which point it was announced that the committee meeting scheduled for February 24 would be delayed for logistical reasons only.
- The share price then plateaued and traded between \$4.25 and \$5.50 for most of 2010 prior to the committee meeting.
- Investors reacted negatively to the briefing documents released by the FDA early on Tuesday May 25<sup>th</sup>, with the share price closing down 52% for the day.
- The share price bounced 39% on the following day (May 26<sup>th</sup>) and, on the day after the positive committee meeting, increased by 67% (May 28<sup>th</sup>) returning to the range established prior to the release of the briefing documents.
- Theratechnologies' share price has failed to break above its range established prior to the release of the briefing documents despite the positive committee recommendation.
- Only about 15% of Theratechnologies outstanding shares traded during the week of the committee meeting.

2. Cardiome and its partner Merck announced on June 25<sup>th</sup> that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) recommended approval of BRINAVESS (iv vernakalant) for the rapid conversion of recent onset atrial fibrillation to sinus rhythm in adults; for non-surgery patients with atrial fibrillation of seven days or less and for post-cardiac surgery patients with atrial fibrillation of three days or less. The companies stated that they expect granting of marketing authorization by the European Commission later this year.



Source: TSX Connect

Some of the key iv vernakalant events for Cardiome in the last 12 months were:

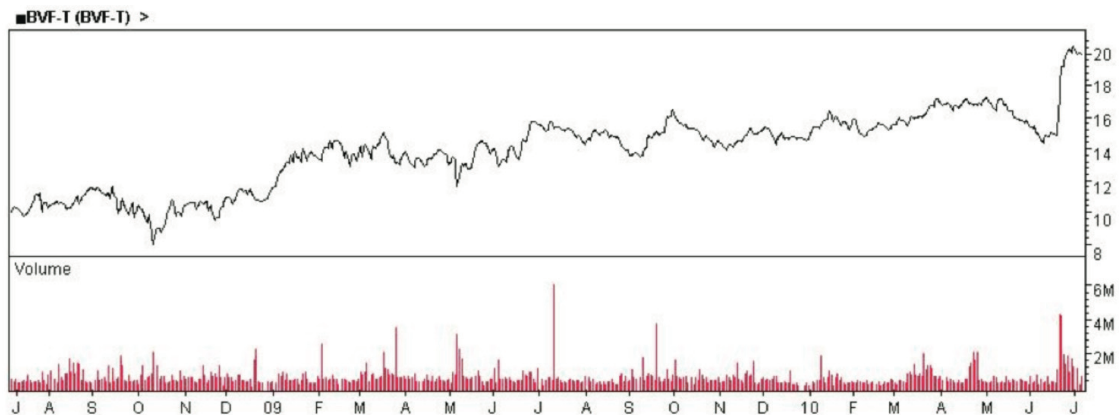
- July 28, 2009 – Marketing Authorization Application filed with EMA;
- August 10, 2009 – Decision to run another U.S. Phase 3 trial;
- October 28, 2009 – Enrolment starts in new U.S. trial;
- December 17, 2009 – Trial data showing superiority of iv vernakalant over amiodarone; and
- June 25, 2010 – Positive CHMP opinion on the MAA

The day after the December 17<sup>th</sup> news announcement, the share price increased 8% on volume of 4.2 million shares (both TSX and NASDAQ). This event also appears to be the beginning of a gradual share price increase, from a close of \$4.25 on December 17<sup>th</sup> 2009 climbing over the next four months to a plateau and trading range between about \$7.50 and \$9.00. When the positive CHMP opinion was announced, the share price increased 8% to close at \$8.98 (TSX) on volume of 0.8 million shares (both TSX and NASDAQ).

3. Biovail and Valeant announced a definitive merger agreement. Some of the important and interesting points about this transaction include:

- The new company will be almost equally owned by current Valeant and Biovail shareholders;
- Valeant is being acquired with Biovail shares but the resulting entity will be called Valeant;
- On a pro-forma trailing 12-month basis as of March 31, 2010, revenues would have been US\$1.75 billion and cash flow from operations would have been US\$575 million;
- Current Valeant shareholders will receive a special dividend of US\$16.77 per share. In addition, all shareholders of the new company will receive a special dividend of US\$1.00 per share, paid from current cash and new US\$2.8 billion term loan facility. There is no intention to pay regular dividends;

- The CEO of Valeant will be CEO of the new company, while the CEO of Biovail will become the Chairman; and
- The new CEO will reside in the Barbados (as does the former CEO Eugene Melnyk) where Biovail's principal operating subsidiary will be maintained.



Source: TSX Connect

Biovail has undergone some dramatic changes over the last few years including the departure of founder Eugene Melnyk both as an executive and a shareholder, the resolution of various legal matters and a change in strategic focus announced on May 8<sup>th</sup>, 2008. The recent merger announcement moved Biovail's share price over \$20 for the first time in almost three years but it is still far below its all-time high of about \$90.

4. One of the largest annual scientific and medical conferences is ASCO (American Society of Clinical Oncology), held in Chicago from June 4 to 8 this year. This conference is very important to the global public biotech sector because there are more drugs in development for the treatment of cancer than any other therapeutic indication. Many Canadian companies made presentations at ASCO, which has a good web site (<http://www.abstract.asco.org>) where you can look at the abstracts of all presentations from this conference. The ASCO meeting is a month or two after the AACR (American Association for Cancer Research) annual conference, which focuses on research and preclinical stage cancer products. There are many other annual medical meetings at which detailed clinical data is often released, including American Diabetes Association (June 25 to 29), American Heart Association (November 13 to 17) and American Society of Hematology (December 4 to 7).

#### Other Events

Acquisitions of three private Canadian companies were announced during the quarter.

- VisualSonics, based in Toronto and focused on ultrasound equipment for the pre-clinical research market, will be acquired by Seattle-based SonoSite (SONO:NASDAQ).
- Resonant Medical, based in Montreal and developing systems for image guided radiation therapy, will be acquired by Stockholm-based ElektaAB (EKTA: Nordic Exchange).
- Verio Therapeutics, an Ottawa company developing stem cell modulators (SCM), will be acquired by Fate Therapeutics, a private San Diego company with a lead SCM in a Phase 1b clinical trial.

Two private Canadian companies completed significant financings. Gemin X Pharmaceuticals (Malvern, PA and Montreal) announced the closing of a \$16 million Series D financing just after completing enrolment in its Phase 2b randomized trial of GX15-070 (obatoclax) in combination with the standard of care for first-line small cell lung cancer versus the standard of care alone. Aquinox Pharmaceuticals (Vancouver) completed a US\$25 million financing which will allow the company to move its lead product into clinical studies.

Three companies completed share consolidations during the quarter; Lorus Therapeutics (1 for 30), Pacgen (1 for 2) and Response Biomedical (1 for 10).

### Share Price Performance

The share price performance of 32 larger Canadian healthcare companies (Appendix 3) showed mixed results in both the second quarter and first half of 2010, with the overall sector performance comparable to the TSX and TSX Venture Composite indices. Decliners outnumbered advancers by 19 to 13 in the first quarter and 18 to 14 in the first half. The Therapeutics group had the best average return, led by Aeterna Zentaris in Q2 (+51%) and Cardiome Pharma in H1 (+89%).

	Price Change			
	H1 2010	Q2 2010	Q1 2010	2009
Therapeutics (15 companies)	+4%	-2%	+12%	+53%
Devices & Diagnostics (5 companies)	-5%	-3%	-2%	+149%
Services (7 companies)	-5%	-9%	+3%	+140%
Others (5 companies)	-29%	-20%	-13%	+139%
Healthcare Sector (32 companies)	-5%	-7%	+4%	+100%
TSX Composite Index	-4%	-6%	+2%	+31%
TSX Venture Composite Index	-7%	-10%	+4%	+93%
NASDAQ Biotech Index	-5%	-15%	+11%	+16%
<i>Source: TSX Connect</i>				

## Appendix 1. Financings by Public Canadian Healthcare Companies in H1 2010

COMPANY	TICKER	SECTOR	EQUITY	CONVERTIBLE DEBT	WARRANTS (%)	NOTES
			(C\$ million)			
January						
Wex Pharmaceuticals	WXI	Thera	34.51			7
Resverlogix	RVX	Thera	8.00		25	
Labopharm	DDS	Thera	1.00			
Sirona Biochem	SBM	Thera	0.22		100	
TearLab	TBI	D&D	1.74			1
Neovasc	NVC	D&D	1.33		50	
EnWave	ENW	Other	3.50		50	
		<i>Total</i>	<i>50.30</i>	<i>0.00</i>		
February						
Labopharm	DDS	Thera	23.00		50	1
Microbix	MBX	Thera	1.30			
PharmaGap	GAP	Thera	0.86		100	
Neovasc	NVC	D&D	0.21		50	
Novadaq	NDQ	D&D	7.41		20	
Extendicare	EXE.UN	Service	86.29			
ProMetic Life Sciences	PLI	Other	3.00			1, 12
ProMetic Life Sciences	PLI	Other		10.00		1, 12
		<i>Total</i>	<i>122.07</i>	<i>10.00</i>		
March						
YM BioSciences	YM	Thera	17.50		50	1
Spectral Diagnostics	SDI	Thera	5.50		50	
Protox Therapeutics	PRX	Thera	5.10		50	
SemBioSys Genetics	SBS	Thera	1.78			
Osta Biotechnologies	OBI	Thera	0.50		50	
TSO3	TOS	D&D	16.00			
TearLab	TLB	D&D	5.00		40	1
TearLab	TLB	D&D	1.26			1
VentriPoint Diagnostics	VPT	D&D	0.94			
		<i>Total</i>	<i>53.58</i>	<i>0.00</i>		
		<b>Q1 Total</b>	<b>225.95</b>	<b>10.00</b>		
				<b>235.95</b>		

Q1: Other Financing Vehicles			Vehicle	Amount		
Resverlogix	RVX	Thera	SEDA	\$25.00 M		
Cardiome	COM	Thera	Debt	\$25.00 M		1, 12
Allon Therapeutics	NPC	Thera	SEDA	\$10.00 M		
Bioniche Life Sciences	BNC	Thera	License	\$8.00 M		1
BioWest Therapeutics	BWE	Thera	Reorg	\$4.00 M		
Isotechnika	ISA	Thera	Asset Sale	\$2.00 M		
Sonomax	SHH	Other	Reorg	\$1.74 M		
Titan Medical	TMD	D&D	Warrants	\$1.20 M		
InNexus	IXS	Thera	Debt	\$1.00 M		1
Quest Pharmatech	QPT	Thera	Debt	\$1.00 M		
BioSyntech	BSY	D&D	Debt	\$1.00 M		
Novadaq	NDQ	D&D	License	\$1.00 M		
iCo Therapeutics	ICO	Thera	Warrants	\$0.97 M		
Medicago	MDG	Thera	Warrants	\$0.86 M		
<b>April</b>						
Aeterna Zentaris	AEZ	Thera	15.00		40	1
Adherex	AHX	Thera	7.20		100	
Critical Outcome	COT	Thera	1.06		50	
Ondine Biopharma	OBP	Thera	0.83		100	
Bradmer Pharma.	BMR	Thera	0.80			1
Osta Biotechnologies	OBI	Thera	0.50		50	
Global Health Ventures	GHLV	Thera	0.50		100	
Sernova	SVA	Thera	0.41			
Biosign	BIO	D&D	2.00		50	
Miraculins	MOM	D&D	0.51		100	
CardioComm Solutions	EKG	D&D	0.50		100	
Nightingale Informatix	NGH	Services	1.25			
Stellar Biotechnologies	KLH	Other	3.19		50	7
Nightingale Informatix	NGH	Services		2.07		
		<i>Total</i>	<i>33.75</i>	<i>2.07</i>		
<b>May</b>						
Critical Outcome	COT	Thera	1.10		50	
Pacgen	PGA	Thera	0.60			6
InNexus	IXS	Thera	0.23			
ZoomMed	ZMD	Other	2.50			
		<i>Total</i>	<i>4.43</i>	<i>0.00</i>		

June						
Aeterna Zentaris	AEZ	Thera	12.10		50	1
Resverlogix	RVX	Thera	10.00		40	
YM BioSciences	YM	Thera	3.20			1
DiaMedica	DMA	Thera	2.26		100	11
Resverlogix	RVX	Thera	0.20			5
Sernova	SVA	Thera	0.15		50	
Patient Home Monitoring	PHM	Services	4.52			7
		<i>Total</i>	<i>32.43</i>	<i>0.00</i>		
	<b>Q2 Total</b>		<b>70.61</b>	<b>2.07</b>		
				<b>72.68</b>		
Q2: Other Financing Vehicles						
		Vehicle	Amount			
Patheon	PTI	Services	Debt	280.00		2
Medicago	MDG	Thera	SEDA	10.00		
LAB Research	LRI	Services	SEDA	10.00		
MethylGene	MYG	Thera	Reorg.	7.20		4
Patient Home Monitoring	PHM	Services	SEDA	5.00		
Noveko	EKO	Others	Credit Facility	4.50		
EnWave	ENW	Others	Warrants	3.25		
Nightingale Informatix	NGH	Services	Debt	3.00		1
Aptilon	APZ	Services	Debt	3.00		
Biovail	BVF	Thera	Grant	2.10		1, 9
Ambrilia	AMB	Thera	Asset sale	2.00		8
Neovasc	NVC	D&D	Warrants	1.39		
Bioniche Life Sciences	BNC	Thera	Government	0.75		
Ondine Biopharma	OBP	Thera	Debt	0.50		
YM BioSciences	YM	Thera	CEO	7.75 M shares		3
Financings Announced But Not Completed By June 30						
Lorus	LOR	Thera	17.50		50	1
Response Biomedical	RBM	D&D	8.00			
Cynapsus	CTH	Thera	2.50		100	
VentriPoint	VPT	D&D	1.50			
Medifocus	MFS	D&D	1.05		100	
Changyu MedTech	CYQ	Other	0.62			
Alda	APH	Other	0.62		100	
Titan Medical	TMD	D&D			50	
Welichem Biotech	WBI	Thera				10
Imaging Dynamics	IDL	D&D				10
VistaGen Therapeutics						13

*Source: Company releases and regulatory filings*

Notes:
Sectors: Therapeutics (Thera); Services; Devices & Diagnostics (D&D); Other
1. Financing in US\$; converted to C\$ using the factor US\$1.00 = C\$1.00
2. Private placement of 8.625% senior secured notes due 2017
3. CEO = Controlled Equity Offering; up to 7.75 M shares
4. Amount could potentially increase to \$9.1 million
5. SEDA drawdown
6. Also restructured about \$1.9 million in debt and financial commitments
7. RTO transactions
8. Disposition of a limited partnership interest; \$2 million initially, possibility of an additional approximately \$2M
9. Michael J. Fox Foundation awarded US\$2.1 million MedGenesis Therapeutix and Biovail for development of GDNF
10. Rights offering
11. Concurrent with acquisition of Sanomune
12. From a corporate partner
13. IPO

## Appendix 2. Selected Clinical, Regulatory and Partnering Events in Q2 2010

Company	Events
Aeterna Zentaris	Initiated Phase 3 trial with perifosine for refractory advanced colorectal cancer Granted Fast Track designation and SPA agreement in place
Allon Therapeutics	Davunetide was granted Fast Track status by the FDA for Progressive Supranuclear Palsy, a fatal degenerative brain disease
Amorfix Life Sciences	Suspended the commercialization of the vCJD blood test Announced intention to focus on antibody and Alzheimer's disease programs
Angiotech	Entered into an exclusive distribution agreement with B. Braun for its QuillSRS product line in the United Kingdom, Ireland, and France Partner Boston Scientific received CE Mark approval and launched its third-generation TAXUS Element Paclitaxel-Eluting Coronary Stent
BELLUS Health	Halted development of NC-503 as a treatment for Type 2 diabetes after Phase 2a data did not meet endpoints Licensed Kiacta to Celtic Therapeutics; BELLUS gets \$10 M up front (2 tranches) and half of the post-Phase 3 auction proceeds
Bioniche Life Sciences	Signed a partnership agreement with Bayer Animal Health, a division of Bayer Australia Limited, for the distribution of two cattle reproduction products
BioSyntech	Sought court protection under the Bankruptcy and Insolvency Act (Canada) Superior Court later authorized sale of substantially all of its assets to Piramal Healthcare Limited for \$3.9 M (now completed)
Biovail	Acquired U.S. & Canadian rights to products containing istradefylline (an NCE targeted for the treatment of Parkinson's disease) Announced merger with Valeant
Cangene	Reacquired U.S. rights to WinRho with termination of agreement with Baxter and will have its own sales force Announced development program for IGIV, with clinical trials expected to start in 2011
Cardiome Pharma	EMA Advisory Committee (CHMP) has adopted a positive opinion, recommending marketing authorization for iv vernakalant (BRINAVESS)
Chartwell Seniors Housing	Completed acquisition of interests in several U.S. and 9 Ontario assisted living and long-term care facilities
Cipher Pharmaceuticals	Received FDA approval for CIP-TRAMADOL ER Reached the enrollment mid-point in its Phase III safety study of CIP-ISOTRETINOIN (triggered US\$2 million milestone from partner Ranbaxy)
ConjuChem	Creditors approved a plan whereby new investors will invest approximately \$35 million in new common shares which will represent the only issued and outstanding shares immediately following the implementation of the plan
Covalon	Signed an agreement allowing Bard expanded use of its coating technology (upfront payment of US\$500,000 and future royalty payments) Signed an additional agreement (similar structure) with a large U.S. manufacturer and distributor of health care supplies and services
DiaMedica	Completed acquisition of Sanomune
Extendicare	U.S. subsidiary received subpoenas from the U.S. DHHS relating to an investigation into the possible submission of claims that may be in violation of the U.S. Social Security Act

Haemacure	Ceased all operations after its assets were acquired by Angiotech
Hamilton Thorne	Announced a vendor partnership agreement with Leica Microsystems
Helix BioPharma	Phase 2b study of topical interferon alpha-2b in treating ano-genital warts did not meet primary clinical endpoint;
IntelGenx	Executed a binding term-sheet with RedHill Biopharma (Israel) to co-develop and license IntelGenx' first oral thin film product for migraine Acquired full ownership of CPI-300 from its former development partner Cary and, after FDA meeting, expects to file the amendment to the NDA in Q1 2011
Intellipharma	FDA has accepted for filing its ANDA for a generic version of the antidepressant Effexor XR Filed an ANDA with the U.S. FDA for a generic version of Protonix
Isotechnika	FDA advisory committee meeting to discuss Lux Bioscience NDA for voclosporin in the treatment of uveitis has been delayed to allow time for the resolution of various outstanding issues
Labopharm	Formed a JV with Angelini to market and sell OLEPTRO in the U.S. Completed licensing and distribution agreement with Nippon Shinyaku for once-daily tramadol in Japan
Medicago	U.S. DARPA determined that the Company's proposal to provide scalable manufacturing of plant-expressed vaccines in the U.S. is selectable for funding subject to negotiation of the final terms and conditions
Miraculins	Signed a letter of intent with PreMD to license the exclusive worldwide rights to the PreVu Skin Cholesterol Test
Northstar Healthcare	Former CEO announced intention to make bid to take company private
Nuvo Research	Partner Covidien launched Pennsaid in the U.S.
OncoGenex	Initiated Phase 3 trial of OGX-011 in prostate cancer
Oncolytics Biotech	Opened enrollment in Phase 3 trial of REOLYSIN / paclitaxel/ carboplatin in H&N cancer Received regulatory approval to run the same trial in Belgium
Oncothyreon	Partner Merck KGaA resumed Phase 3 START and INSPIRE trials of Stimuvax in NSCLC
OPMEDIC	Intends to open a new surgical and endoscopic center in Montreal which will have two operating rooms, one for day surgeries and one for endoscopy.
Orbus Pharma	Filed a Notice of Intention to make a proposal to its creditors and has obtained protection from its creditors under the provisions of the Bankruptcy and Insolvency Act
Paladin Labs	Received Health Canada approval for SEASONIQUE, an oral contraceptive manufactured by Duramed (subsidiary of Teva)
Patheon	Signed an expanded contract manufacturing agreement with Merck
Protox Therapeutics	Licensed Japanese rights for PRX302 to Kissei; US\$3 M up front, US\$5 M soon, another US\$67 M in potential milestones, plus royalties Announced positive six month data from its double-blind placebo controlled Phase 2b study of PRX302
QLT	Two sets of trial data comparing Visudyne plus Lucentis versus Lucentis monotherapy; 24-month results from the Phase II RADICAL study in patients with wet AMD showed lower retreatment rates with combo therapy (similar safety and efficacy)
Resverlogix	Completed dosing in the Phase 2 ASSERT trial of RVX-208
SQI Diagnostics	Gamma-Dynacare agreed to operate a SQiDworks™ platform and purchase IgXPLEX™ Rheumatoid Arthritis consumables Announced intention to develop a botulism toxin panel in partnership with Silliker

Stellar Pharmaceuticals	Signed licensing agreements for the distribution and sale of Uracyst in Portugal, Germany and Austria
Stem Cell Therapeutics	Primary endpoint results for its modified REGENESIS-Phase IIb stroke trial showed no statistical difference between NTx-265 and placebo in any of the treatment groups
Tekmira	Entered into a multi-year, target validation agreement with BMS, including US\$3M up front fee to Tekmira
Theratechnologies	FDA advisory committee voted unanimously on May 27 <sup>th</sup> to recommend the approval of tesamorelin (Egrifta) for the reduction of visceral adipose tissue (VAT) in HIV patients
YM BioSciences	First U.S. patient enrolled in its Phase 2 trial evaluating nimotuzumab in patients with brain metastases from NSCLC
<i>Source: Company releases and regulatory filings</i>	



### Appendix 3. Share Price Performance In Q2 and H1 2010

	Closing Share Price			Change (%)	
	Dec. 31/09	Mar. 31/10	June 30/10	Q2	H1
<b>Therapeutics</b>					
Aeterna Zentaris	\$0.85	\$0.81	\$1.22	51%	44%
Cardiome Pharma	\$4.64	\$6.70	\$8.78	31%	89%
Biovail	\$14.68	\$16.99	\$20.51	21%	40%
Transition Thera.	\$3.72	\$2.86	\$3.36	17%	-10%
QLT	\$5.23	\$5.21	\$6.11	17%	17%
YM BioSciences	\$1.45	\$1.18	\$1.23	4%	-15%
Theratechnologies	\$4.43	\$5.08	\$5.12	1%	16%
Paladin Labs	\$19.75	\$24.95	\$23.50	-6%	19%
BioMS Medical	\$0.33	\$0.35	\$0.32	-9%	-3%
Oncolytics Biotech	\$2.75	\$3.20	\$2.80	-13%	2%
Helix BioPharma	\$3.21	\$2.75	\$2.40	-13%	-25%
Cangene	\$5.10	\$4.30	\$3.65	-15%	-28%
Nuvo Research	\$0.32	\$0.26	\$0.22	-17%	-33%
Labopharm	\$2.18	\$1.46	\$0.97	-34%	-56%
Resverlogix	\$2.42	\$6.89	\$2.68	-61%	11%
			<b>Average</b>	<b>-2%</b>	<b>4%</b>
<b>Diagnostics/Devices</b>					
Novadaq	\$2.80	\$2.65	\$3.50	32%	25%
MDS	\$8.19	\$8.18	\$8.98	10%	10%
SQI Diagnostics	\$2.60	\$2.27	\$2.30	1%	-12%
IMRIS	\$5.30	\$6.64	\$4.92	-26%	-7%
Angiotech Pharma.	\$1.31	\$1.11	\$0.77	-31%	-41%
			<b>Average</b>	<b>-3%</b>	<b>-5%</b>
<b>Services</b>					
SXC Health Solutions	\$57.30	\$68.77	\$78.26	14%	37%
Patheon	\$2.58	\$2.50	\$2.61	4%	1%
Chartwell	\$7.03	\$7.25	\$7.17	-1%	2%
K-Bro	\$13.48	\$15.50	\$15.25	-2%	13%
Extencare	\$9.52	\$10.47	\$8.54	-18%	-10%
CML Healthcare	\$13.84	\$12.66	\$9.93	-22%	-28%
Centric Health	\$0.84	\$0.71	\$0.43	-40%	-49%
			<b>Average</b>	<b>-9%</b>	<b>-5%</b>
<b>Others</b>					
GLG Life Tech	\$8.15	\$8.00	\$8.10	1%	-1%
Atrium Innovations	\$15.76	\$16.67	\$15.30	-8%	-3%
Afexa	\$0.77	\$0.53	\$0.48	-9%	-38%
Neptune	\$2.16	\$2.01	\$1.20	-40%	-44%
Noveko	\$1.85	\$1.30	\$0.76	-42%	-59%
			<b>Average</b>	<b>-20%</b>	<b>-29%</b>
			<b>SECTOR AVERAGE</b>	<b>-7%</b>	<b>-5%</b>

Source: TSX Connect

Note: The companies with the largest market caps in each sector at the beginning of 2010 were selected for this analysis. An expanded portfolio will be used in subsequent quarterly reviews.

## Authors of this Review

**James Smith, M.Sc. (Eng.)** *Vice President, Healthcare*

**The Equicom Group Inc.**

James Smith co-manages the Healthcare team at The Equicom Group Inc., providing strategic insight to biotechnology, healthcare services and pharmaceutical companies. Prior to joining Equicom in 2001, he conducted scientific research for eight years, primarily focused on animal cell culture. He has a Bachelor's degree in Engineering Chemistry and a Master's degree in Biochemical Engineering from Queen's University.

**Wayne Schnarr, Ph.D, MBA** *Healthcare Consultant*

**The Equicom Group Inc.**

Dr. Schnarr has more than thirty 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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