



Biotech Daily

Thursday January 20, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: GENETIC TECH UP 25%; OPTISCAN DOWN 13%**
- * **GSK, BIOTA PHASE III TRIAL COMPARES I-V RELENZA TO ORAL TAMIFLU**
- * **BIONICHE RAISES \$30m OF HOPED-FOR \$31m**
- * **GENETIC TECHNOLOGIES FILES SECOND US PATENT LEGAL ACTION**
- * **BENITEC PLEADS SCHULTZ TO ASX 31% PRICE QUERY**
- * **PSIVIDA PLACEMENT TO RAISE UP TO \$10.8m**
- * **AVITA HIRES TIZIANO CALDERA FOR EUROPE, JOHN GEISEL GOES**

MARKET REPORT

The Australian stock market fell 1.05 percent on Thursday January 20, 2011 with the S&P ASX 200 down 50.9 points to 4783.7 points.

Seventeen of the Biotech Daily Top 40 stocks were up, 12 fell, six traded unchanged and five were untraded.

Genetic Technologies was best, up three cents or 25 percent to 15 cents with 5.4 million shares traded, followed by Antisense up 14.3 percent to 0.8 cents, with 12.5 million shares traded.

Compumedics climbed 9.4 percent; Bionomics and Prana were up more than seven percent; Clinuvel was up 4.3 percent; Universal Biosensors and Viralytics were up more than three percent; QRX and Sunshine Heart both rose 2.94 percent; with Acrux, Advanced Surgical, Impedimed, Sirtex and Starpharma up more than one percent.

Optiscan led the falls, down 0.8 cents or 12.7 percent to 5.5 cents with 100,000 shares traded, followed by Benitec down 7.9 percent to 3.5 cents with 26.2 million shares traded.

Living Cell, Prima and Psivida lost more than six percent; Biota and Cellmid fell more than five percent; Phosphagenics fell 3.7 percent; Cochlear shed 2.5 percent; with Genera, Nanosonics, Pharmaxis and Resmed down more than one percent.

GLAXOSMITHKLINE, BIOTA

Biota says Glaxosmithkline has begun a pivotal phase III study of hospitalized patients with influenza, comparing intravenous zanamivir (Relenza) to oral oseltamivir (Tamiflu). Biota said the primary end point of the study was the time to clinical response in patients with confirmed influenza.

Glaxosmithkline said the first patient had received treatment and the trial had a target enrolment of 462 patients in more than 20 countries that take into account influenza seasons in the Northern and Southern Hemispheres.

Glaxosmithkline said the study would take about three years.

Glaxosmithkline said zanamivir has been available in countries worldwide in an inhaled form since 1999 and was licenced exclusively and globally from Biota.

Glaxosmithkline said IV zanamivir was not approved for sale in any country.

Biota fell seven cents or 5.1 percent to \$1.30.

BIONICHE

Bioniche has completed its Australian initial public offering, raising \$C29.4 million (\$A29.6 million) of the hoped for \$31 million (BD: Nov 30, Dec 6, 2010).

Bioniche expects to begin trading on the ASX on January 27, 2011 under the code BNC.

Bioniche said the funds would be used to develop its phase III bladder cancer drug Urocidin, which was a formulation of its platform technology mycobacterial cell wall-DNA complex or MCC.

Bioniche said it had been listed on the Toronto Exchange since 1992.

GENETIC TECHNOLOGIES

Genetic Technologies says it has filed a further US patent infringement action, relating to non-coding DNA, this time in the US District Court, Western District of Texas in Austin.

Genetic Technologies said the legal action followed "the highly successful initial patent infringement law suit ... in the US District Court, Western District of Wisconsin" against nine parties, including Monsanto (BD: Feb 16, 2010).

The other respondents to the matter were Beckman Coulter, Orchid Cellmark, Gen-Probe, Interleukin Genetics, Molecular Pathology Laboratory Network, PIC USA, Sunrise Medical Laboratories and Pioneer Hi-Bred International.

Genetic Technologies' chief executive officer Dr Paul MacLeman told Biotech Daily that, so far, all but two of the respondents PIC (Pig Improvement Corp) and Orchid Cellmark had signed settlement agreements.

In its media release to the ASX said that all the counterparties to the new action were associated with Sonic Healthcare and were Clinical Pathology Laboratories Mid-Atlantic of Chantilly, Virginia; Clinical Pathology Laboratories Southeast of Orlando, Florida; Clinical Pathology Laboratories of South West Austin, Texas; Pathlabs of Toledo, Ohio; East Side Clinical Laboratories of East Providence, Rhode Island; and AEL of Memphis, Morristown; Lebanon, Tennessee and Columbus, Mississippi.

Genetic Technologies said the second patent infringement suit followed the recent settlement with Sunrise Medical Laboratories of Hicksville, New York, which is also associated with Sonic Healthcare (BD: Jan 17, 2011).

"Investors will have noticed that in 2010, many companies chose to settle with GTG," Dr MacLeman said. "We fully expect this momentum to continue in 2011, as we pro-actively initiate discussions with other parties found to be infringing our patents."

Genetic Technologies climbed three cents or 25 percent to 15 cents on strong volumes.

PSIVIDA

Psivida hopes to raise \$US10.75 million (\$A10.79 million) through the placement of 2,150,000 shares at \$US5 each and the exercise of one-for-four attaching warrants. The warrants are exercisable at \$US5 each, within five years.

Psivida said the proceeds would be used "for general corporate purposes".

The company said that Rodman & Renshaw was the lead placement agency, with Ladenburg Thalmann & Co co-placement agent.

On December 24, 2010, Psivida reported that the US Food and Drug Administration had refused its new drug application for Iluvien (fluocinolone acetonide intravitreal insert) for diabetic macular oedema (BD: Jan 16, 2011).

Psivida said at that time that the application contained safety and efficacy data to month 24 of its 956 patient phase III trial of Iluvien and the FDA complete response letter asked for analyses of safety and efficacy data through to month 36, including exploratory analyses in addition to those previously submitted, to further assess the relative benefits and risks of Iluvien.

Psivida said on December 24, that its partner, Alimera Sciences, had completed month 36 of the study and reported that it was preparing the analyses that the FDA has requested.

Psivida said Alimera further reported that it had requested a meeting with the FDA to clarify the path to regulatory approval and the FDA had not asked for new clinical studies. Psivida fell 35 cents or 6.8 percent to \$4.80.

BENITEC

Benitec has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from 2.9 cents on January 18, 2011 to 3.8 cents, a 31.0 percent increase, on January 19, 2011 and noted an increase in trading volume.

Benitec fell 0.3 cents or 7.9 percent to 3.5 cents with 26.2 million shares traded.

AVITA MEDICAL

Avita says Tiziano Caldera has been appointed general manager for Europe, the Middle East and Africa.

Avita said Mr Caldera would be based in the Cambridge UK office and had primary responsibility for continuing the growth and expansion of sales in the European and Middle Eastern markets.

The company said Mr Caldera held a Masters of Business Administration and had 18 years experience in medical sales and management.

Avita said Mr Caldera was most recently Sonova AG's Advanced Bionics sales vice-president for UK, Italy, Scandinavia and Latin America.

Avita's head of business development John Geisel would depart the company effective from January 31, 2011.

Avita was up one cent or 7.7 percent to 14 cents.