



Biotech Daily

Monday May 2, 2011

Daily news on ASX-listed biotechnology companies

- * **APRIL BDI-40 UP 6.2%, UP 66% FOR YEAR, WHILE ASX200 FLATLINES**
- **GENETIC TECHNOLOGIES UP 75%, TISSUE THERAPIES DOWN 21%**
- * **TODAY: ASX FLAT, BIOTECH DOWN:**
- **GENETIC TECHNOLOGIES UP 26%; PATRYS DOWN 10%**
- * **PHARMAUST PLACES \$600k**
- * **PHOSPHAGENICS AGM VOTES ON 2m EXECUTIVE 'RIGHTS'**
- * **CEPHALON EDGES UP TO 47% OF CHEMGENEX**
- * **NEUREN REQUESTS CAPITAL RAISING TRADING HALT**
- * **KARMELSONIX HAS ONE QUARTER CASH; FUNDS EXPECTED**
- * **TRANSOCEAN SELLS 8.6m ANTEO SHARES**
- * **STIRLING HAS LESS THAN ONE QUARTER CASH; CREDIT, SHARE PLAN**
- * **SOLAGRAN HAS LESS THAN ONE QUARTER CASH; DEBT PLAN**

MARKET REPORT

The Australian stock market climbed 0.04 percent on Monday May 2, 2011 with the S&P ASX 200 up 2.1 points to 4825.3 points. Six of the Biotech Daily Top 40 stocks were up, 23 fell, seven traded unchanged and four were untraded.

Genetic Technologies was the best, up four cents or 25.8 percent to 19.5 cents with 5.3 million shares traded. Phosphagenics climbed 6.9 percent; Benitec was up 4.2 percent; Viralytics was up 3.6 percent; Psivida rose 2.5 percent; with CSL and Phylogica up one percent or more.

Patrys led the falls, down 1.5 cents or 10 percent to 13.5 cents, with 371,695 shares traded, followed by Living Cell down 4.35 percent to 11 cents with 135,865 shares traded.

Bionomics, Cellmid, Genera and Optiscan lost more than three percent; Circadian, Pharmaxis, Prana, Prima, QRX and Starpharma shed more than two percent; with Alchemia, Acrux, Clinuvel, LBT, Nanosonics, Sunshine Heart and Tissue Therapies down one percent or more.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) continued its high tech rise, up 6.2 percent in April compared to the S&P ASX200 continuing its flat-line trajectory down 0.3 percent.

Heartware's \$229 million fall balanced Mesoblast's \$257 million improvement demonstrating that the BDI-40's strength was across the board with 25 companies up, 11 down and four unchanged. Ten companies rose by more than 20 percent, while the worst fall was Tissue Therapies, down 21.4%.

For the 12 months to April 30, the BDI-40 (which does not include the three Big Caps of Cochlear CSL and Resmed) climbed 66.4 percent, again requiring the addition of another 1,000 points to the chart's y-axis, while the ASX200 was up just 0.33 percent for the year.

Despite record revenue and profits at Cochlear and Resmed, the Big Caps fell 3.4 percent in April with both Cochlear and CSL down and Resmed up 1.4 percent to \$4,527 million.

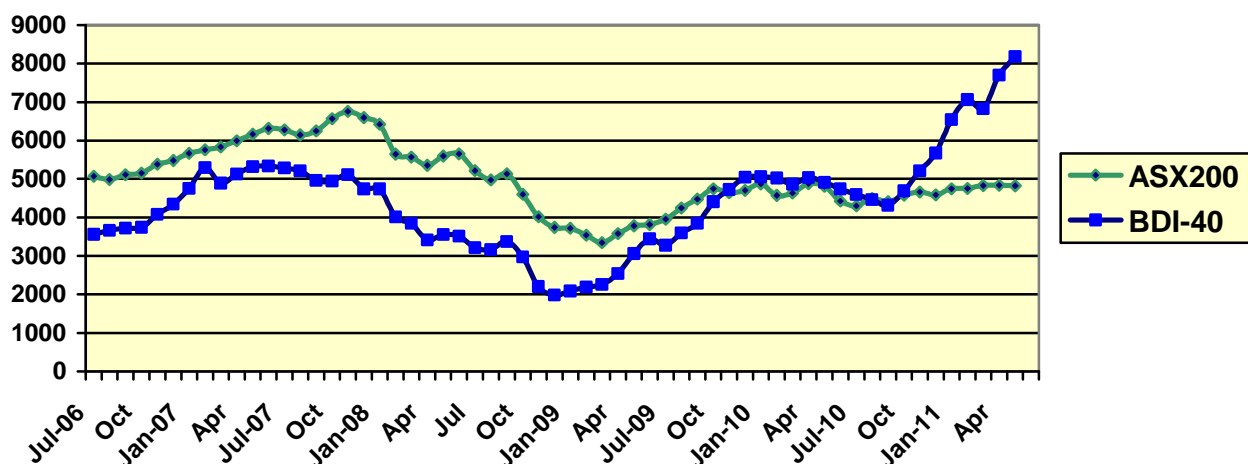
Genetic Technologies was the best for the month, with a steady flow of good news including the close of patent protection proceedings with licences and the US regulatory approval of its Brevagen breast cancer test, up 75.0 percent to a market capitalization of \$63 million.

Living Cell was up 54.2 percent from a low base to \$37 million, followed by Phosphagenics up 30.8 percent, Prima (29.8%), Patrys (27.6%), QRX (25.6%), Viralytics (24.0%), Sunshine Heart (23.3%), Cellmid (22.2%) and Universal Biosensors (20.2%).

Tissue Therapies had the deepest fall, down 21.4 percent to \$77 million - still more than double its size a year ago - followed by Heartware down 19.4 percent on news of adverse events, followed by Antisense (16.7%), Benitec (16.7%) and Uscom (13.3%).

Biotech companies raised \$35.5 million in April.

BDI-40 v ASX200 Jul 1, 2006 to Apr 30, 2011



PHARMAUST

Pharmaust says it has agreements to raise \$600,000 from the issue of 24,000,000 shares at 2.5 cents a share with one free attaching listed option.

Pharmaust said the attaching options were exercisable at 10 cents by March 30, 2012.

The company said the placement was to non-related parties using its 15 percent placement capacity and would not require shareholder approval.

Pharmaust was unchanged at 2.6 cents.

PHOSPHAGENICS

Phosphagenics shareholders will vote on the grant of 2,000,000 "conditional rights" each, to co-chief executive officers Harry Rosen and Dr Esra Ogru, exercisable at no cost.

The notice of annual general meeting was published on page 131 of a 152-page annual report lodged after the market closed on Friday, April 29, 2011.

Phosphagenics said the exercise of the rights in three separate tranches was conditional on meeting four sets of milestones: the completion of recruitment for a phase II/III trial of its oxycodone transdermal patch, submission of an application for the patch and gross revenue from all non-prescription products to be not less than \$10 million; completion of the phase II/III trial by December 31, 2013, gross revenues from the commercialization of its tocopheryl phosphate mixture or TPM technology of not less than \$1 million and non-prescription products of not less than \$20 million; a third milestone of the completion of the oxycodone clinical trial, gross revenues from the commercialization of its TPM technology of not less than \$2 million and non-prescription products of not less than \$30 million; and the fourth milestone of registration for marketing and sale of the oxycodone patch and gross revenues from all non-prescription products of not less than \$40 million.

The meeting will also vote to allow the conversion of Dr Ogru's and Mr Rosen's rights into shares should there be "an accelerated event (such as redundancy)" or termination.

The Phosphagenics meeting will vote on the prior issue of 83,897,222 shares at nine cents a share to raise \$7,550,750 shares.

The meeting will be asked to approve an employee conditional rights scheme with rights equivalent to up to five percent of the company's issued capital reserved for the scheme.

The cost of exercising the rights was not disclosed and the company said employees and all directors could benefit from the scheme.

Phosphagenics shareholders will also vote on the re-election of directors Jonathan Addison, Dr Sandra Webb, Don Clarke and Stuart James.

The meeting will be held at the Conference Centre, Minter Ellison, Level 23, Rialto Towers, 525 Collins Street, Melbourne on May 31, 2010 at 2pm (AEST).

Phosphagenics was up one cent or 6.9 percent to 15.5 cents.

CHEMGENEX

Cephalon says its Chemgenex holding has increased from 138,025,831 shares (44.05%) to 148,371,107 shares (47.32%).

The US-based bidder for all of Chemgenex's shares has commitments from major shareholders for 62.61 percent of the company (BD: Apr 31, 2011) but at the time of publication, holders of at least 18 percent of Chemgenex had not filed their paperwork.

According to the ASX, GBS Venture Partners holds 21,942,255 shares or 6.99 percent of Chemgenex and Orbis Investment Management holds 39,640,833 shares or 12.6 percent. Chemgenex fell half a cent or 0.75 percent to 66 cents with one million shares traded.

NEUREN PHARMACEUTICALS

Neuren has requested a trading halt "pending an announcement about negotiations for a material a capital raising".

Trading will resume on May 4, 2011 or on an earlier announcement.

Neuren last traded at 1.5 cents.

KARMELSONIX

Karmelsonix said its net operating cash burn for the three months to March 31, 2011 was \$1,130,000 with cash at the end of the quarter of \$1,763,000.

A Karmelsonix executive told Biotech Daily that about \$500,000 was expected following the April exercise of options and other incomplete capital raisings.

Karmelsonix fell 0.1 cents or 6.7 percent to 1.4 cents with 2.9 million shares traded.

ANTEO DIAGNOSTICS

Transocean Securities has reduced its substantial holding in Anteo from 57,703,654 shares (7.72%) to 40,179,262 shares (5.27%).

Transocean said it sold 17,524,392 shares on-market for \$1,229,351 or an average price of 7.0 cents per share. Transocean director Lara lacusso recently resigned as a director of Anteo.

Anteo was up 0.2 cents or 2.9 percent to 7.1 cents with five million shares traded.

STIRLING PRODUCTS

Stirling said its net operating cash burn for the three months to March 31, 2011 was \$1,667,000 with cash at the end of the quarter of \$447,000.

Stirling said it expected a share purchase plan to raise about \$1.5 million and had \$1.2 million in credit standby arrangements.

Stirling fell 0.1 cents or 25 percent to 0.3 cents with 3.1 million shares traded.

SOLAGRAN

Solagran said its net operating cash burn for the three months to March 31, 2011 was \$1,859,000 with cash at the end of the quarter of \$764,000.

Solagran said it was "in the process of arranging debt facilities of between \$3 million and \$5 million".

Solagran was unchanged at 15 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	May-2010	Apr-2011	May-11
Cochlear	4,171	4,709	4,569
CSL	18,877	19,337	18,458
Resmed	5,117	4,466	4,527
BDI-20			
Acrux	319	502	581
Alchemia	103	132	131
Bionomics	99	166	185
Biota	264	190	217
Cellestis	280	287	326
Chemgenex	109	183	208
Clinuvel	70	55	58
Genera	37	16	18
Heartware	728	1,179	950
Impedimed	87	117	109
Living Cell	97	24	37
Mesoblast	268	2,023	2,280
Nanosonics	126	212	204
Pharmaxis	687	609	682
Phylogica	20	19	21
Sirtex	324	296	297
Starpharma	143	305	312
Sunshine Heart	18	43	53
Tissue Therapies	28	98	77
Universal Biosensors	252	199	223
Second 20			
Advanced Surgical	17	9	8
Antisense	10	12	10
Benitec	17	14	12
Bioniche	105	151	138
Cathrx	19	29	29
Cellmid	9	9	11
Circadian	34	32	33
Compumedics	25	18	18
Genetic Technologies	17	36	63
LBT Innovations	9	6	6
Optiscan	7	6	7
Patrys	21	29	37
Phosphagenics	111	91	119
Prana	41	61	59
Prima	110	218	283
Psivida	95	83	83
QRX Pharma	124	195	245
Uscom	20	15	13
Viralytics	19	25	31
Virax	16	5	5

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Biota, Chemgenex, Impedimed, Neuren, Optiscan, Sunshine Heart and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in Atcor, Circadian, Pharmaxis, QRX and Tissue Therapies. These holdings are liable to change at any time.

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