



Biotech Daily

Thursday May 26, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: OPTISCAN UP 12%; PRIMA DOWN 12%**
- * **PRIMA RAISES \$21m**
- * **GENETIC TECHNOLOGIES SUES GSK, BMS, PFIZER, 7 MORE**
- * **AVITA LAUNCHES RECELL WOUND TREATMENT IN GULF STATES**
- * **VIRAX SHARE ISSUE EGM**
- * **FISHER FUNDS CEASE SUBSTANTIAL IN PHARMAXIS**
- * **BIOMD TAKES 65% OF ALLIED MEDICAL**
- * **CITIGROUP TAKES 10% OF PHYLOGICA**
- * **DR MARIE ROSKOW REPLACES PATRYS CEO DAN DEVINE**
- * **BENITEC APPOINTS GREGORY WEST JOINT COMPANY SECRETARY**

MARKET REPORT

The Australian stock market rebounded 1.65 percent on Thursday May 26, 2011 with the S&P ASX 200 up 75.5 points to 4660.2 points. Sixteen of the Biotech Daily Top 40 stocks were up, 14 fell, five traded unchanged and five were untraded.

Optiscan was best, up 0.5 cents or 11.6 percent to 4.8 cents with 112,698 shares traded, followed by Prana up two cents or 11.1 percent to 20 cents with 112,628 shares traded.

Starpharma climbed 8.3 percent; Bionomics was up 7.25 percent; Phylogica was up 6.1 percent; Viralytics climbed 5.4 percent; Sunshine Heart was up 4.1 percent; Phosphagenics was up 3.45 percent; Acrux and Heartware rose more than two percent; with Living Cell, Mesoblast, Resmed and Tissue Therapies up one percent or more.

Prima led the falls, down four cents or 11.9 percent to 29.5 cents with 31.9 million shares traded, followed by Antisense down 9.1 percent to one cent with 32 million shares traded.

Virax lost 7.7 percent; Cellmid, LBT, Pharmaxis and Universal Biosensors were down more than six percent; Cathrx and Circadian fell more than five percent; Genera and QRX were down more than four percent; Benitec was down three percent; with Clinuvel and Nanosonics shedding more than two percent.

PRIMA BIOMED

Prima says it has raised \$21,000,000 through the issue of 75,000,000 shares at 28 cents a share to new and existing Australian and foreign investors.

Prima said yesterday that the funds along with a share plan at the same price to raise a further \$20 million were for the phase III trial of its CVac vaccine for ovarian cancer.

The company said the joint lead managers and book-runners for the placement were Deutsche Bank AG and Ord Minnett.

Prima said that following strong demand the placement was increased from \$18 million to \$21 million.

Prima fell four cents or 11.9 percent to 29.5 cents with 31.9 million shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies says it has filed a suit in the US District Court of Colorado, asserting infringement of its primary non-coding patent against 10 companies.

Genetic Technologies listed Agilent Technologies, Bristol-Myers Squibb Co, Eurofins STA Laboratories, Glaxosmithkline, Hologic, Merial, Navigenics, Neogen Corp, Pfizer and 454 Life Sciences Corp.

Genetic Technologies chief executive officer Dr Paul MacLeman told Biotech Daily that the patents concerned related to "detailed methods of genetic analysis".

"There a wide range of industries to which they are applicable," Dr MacLeman said.

Dr MacLeman said he could not provide greater detail, but Biotech Daily is aware that the companies are involved in genetic testing.

Genetic Technologies said the patent infringement legal action was in addition to a six-party suit filed in January 2011 in the US District Court for the Western District of Texas for infringement of the same technology.

Genetic Technologies said both suits followed "the highly successful first assertion program which commenced in February 2010 and concluded in April 2011 (BD: Feb 16, 2010; Apr 13, 2011).

The company said that the new cases would be prosecuted by Colorado-based law firm Sheridan Ross PC and, due to arrangements previously put into place, should not have a material adverse impact on its finances.

Genetic Technologies said that since the time of filing of the first action it had been paid \$14.5 million in licencing revenues.

Dr MacLeman said the company was "extremely pleased with the success of the first assertion suit".

"The company is very confident in its non-coding DNA intellectual property position and has built up an excellent working relationship with Sheridan Ross PC," Dr MacLeman said.

"The new assertion suits further build on our strategy of systematizing GTG's existing successful out-licencing program, as we seek to maximize the value of the company's patents and consequent returns to its shareholders to finance the development of the company's cancer diagnostics strategy," Dr MacLeman said.

Genetic Technologies said it had licenced its non-coding DNA technology to more than 55 companies in a variety of life sciences industries, generating more than \$70 million in revenues to date.

Genetic Technologies was unchanged at 23 cents with 1.1 million shares traded.

AVITA MEDICAL

Avita says it has launched its Recell spray-on-skin wound to the Arabian Gulf States of Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman.

Avita said the treatment would be available to dozens of clinicians in the countries which had a total population of 80 million people.

The company said the product launch and workshop was introduced by Kuwait International Health Services' Dr Khaled Alkandari to 45 surgeons.

Avita said the workshop included a clinical seminar by Yorkshire Regional Burn Centre plastic surgeon Dr Jeremy Rawlins, including a live workshop using Recell in vitiligo patients broadcast live to the audience from Al-Batani Hospital in Kuwait City.

Avita general manager Tiziano Caldera said the workshop was "the corner stone for Recell to become part of the standard of care for patients" in the Gulf area.

Avita said more than 3,500 patients had been treated for burns, pigmentation disorders, scar revisions such as acne, and skin rejuvenation procedures such as wrinkle removal.

Avita said Recell allowed in-theater preparation of a spray-on suspension of cells from a small biopsy of a patient's own skin that was sufficient to cover an area up to 80 times the size of the biopsy and was immediately available as a spray at the patient's bedside.

Avita was unchanged at 12.5 cents.

VIRAX

Virax shareholders will vote to issue 150,000,000 shares and 50,000,000 options for a placement as well as approve payments in shares in lieu of cash.

Virax said the shares were for the \$2 million placement and \$1 million rights issue announced yesterday.

The company said shareholders would also be asked to approve the issue of shares to the value of \$61,313 to director Michael Humphris, \$44,963 to each of Ian Pyman and Tim Cooper and \$36,778 to former director Dr Albert Ting in lieu of directors' pay.

Virax has asked shareholders to issue 1,174,460 shares at 2.81 cents each worth \$33,002 to Alpha Securities in lieu of advisory fees and 469,784 shares worth \$13,201 to James Moses in lieu of media and communications fees.

The meeting will be held at Quest Beaumont, 7 Studley Park Road, Kew, Victoria on June 24, 2011 at 2.30pm (AEST).

Virax fell 0.2 cents or 7.7 percent to 2.4 cents.

PHARMAXIS

Fisher Funds Management and associates have ceased their substantial holding in Pharmaxis with the sale of 700,000 shares yesterday.

Fisher Funds said the group sold the shares for \$576,096 or 82.3 cents a share.

The previous transaction was the purchase of 20,000 shares for \$56,650 or an average price of \$2.83 a share on May 4, 2011.

Pharmaxis fell five cents or 6.6 percent to 71 cents with 14.2 million shares traded.

BIOMD, ALLIED MEDICAL

Biomd says it has increased its takeover bid acceptances from Allied Medical investors from 3,577,012 shares (27.59%) to 8,471,529 shares (65.35%).

Biomd was up 1.1 cents or 25 percent to 5.5 cents.

PHYLOGICA

Citigroup Global Markets has increased its substantial shareholding in Phylogica from 36,619,118 shares (9.04%) to 40,887,374 shares (10.09%).

In a change of substantial shareholder notice Citigroup said it had increased its holding in its capacity as a prime broker.

Phylogica was up 0.4 cents or 6.1 percent to seven cents with 1.2 million shares traded.

PATRY'S

Patry's says it has appointed Dr Marie Roskrow as chief executive officer replacing Daniel Devine, "whose term of office expires on June 30, 2011".

Patry's said the change marked "the ongoing transition ... from a research and early stage development organization to a clinical development company".

The company said it began its first human clinical trial for lead product PAT-SM6 for melanoma in October 2010.

Patry's said Dr Roskrow joined the company as chief medical officer in August 2010 and had managed the clinical development program and worked closely with management on corporate strategy and global business development.

The company said Dr Roskrow had significant healthcare investment banking experience which had resulted in an extensive professional network in the drug development industry.

Patry's said Mr Devine was a founder of the technology and had been instrumental in the listing on the ASX in July 2007 and would leave the company and cease to be a director from June 30, 2011.

The company said Dr Roskrow held a medical degree and a Doctorate of Philosophy in medicine from the University of London.

Patry's said Dr Roskrow previously held senior clinical and research positions, most recently at the Institute for Molecular Immunology in Munich had published more than 30 papers in peer-reviewed journals.

The company said Dr Roskrow was a senior director of investment banking in Lazard's healthcare group, where she participated in mergers and acquisitions, company financings, product out-licencing deals, research and development collaborations and transactions.

Patry's was unchanged at 13 cents with 1.8 million shares traded.

BENITEC

Benitec has appointed Gregory West as joint company secretary alongside John Rawling.

Benitec said the appointment was "to provide additional resources and flexibility as it executes on its business plans".

Benitec fell 0.1 cents or three percent to 3.2 cents with 6.5 million shares traded.