



Biotech Daily

Wednesday July 6, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: VIRAX UP 16%; HEARTWARE DOWN 9%**
- * **AVEXA TURNS TO UK CONSULTANTS TO TRY TO LICENCE APRICITABINE**
- * **PHOSPHAGENICS APPOINTS SUNGATE ASIA-PACIFIC DISTRIBUTOR**
- * **CAPITAL GROUP SELLS 6m MORE CSL SHARES**
- * **AUSTRALIAN ETHICAL TAKES 9% OF TISSUE THERAPIES**
- * **CITIGROUP TAKES 6% OF PATRYS**
- * **AUSTRALIAN ETHICAL INCREASES, DILUTED TO 10.5% OF AVITA**

MARKET REPORT

The Australian stock market climbed 0.15 percent on Wednesday July 6, 2011 with the S&P ASX 200 up 6.9 points to 4605.0 points.

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

Virax was best, up 0.3 cents or 15.8 percent to 2.2 cents with 240,500 shares traded, followed by Psivida up 7.9 percent to \$3.95 with 11,887 shares traded and Genetic Technologies up 6.7 percent with one million shares traded.

Impedimed, Nanosonics and Viralytics climbed more than five percent; Anteo was up 4.3 percent; Benitec, Patrys and Phosphagenics were up more than three percent; Cellestis and Starpharma rose more than two percent; with Acrux and Tissue Therapies up more than one percent.

Heartware led the falls, down 19 cents or 9.3 percent to \$1.85, with eight shares traded, followed by Universal Biosensors down 8.7 percent to \$1.00 with 20,000 shares traded.

Circadian lost 6.6 percent; Optiscan fell 5.7 percent; Pharmaxis fell four percent; Alchemia shed 2.4 percent; with Biota, Cochlear, Phylogica and QRX down more than one percent.

AVEXA

Avexa has appointed the Oxford UK-based corporate advisors Pharmaventures help find a partner for apricitabine (ATC) for HIV.

Avexa has been trying to find a partner for the drug for several years and following the early closure of the 200 patient phase III program in 2009 said it hoped to partner the drug to a second tier or regional company (BD: Oct 2, 2009).

The 24-week data from the phase III trial showed a non-significant clinical benefit for ATC over the standard-of-care 3TC co-invented by Avexa chief executive officer and chief scientific officer, Dr Jonathan Coates (BD: Feb 4, 2010).

Avexa had been encouraged by 96-week phase IIb trial data that showed that 87 percent of patients on apricitabine had a virus levels "below detectable" (BD: Mar 16, 2009).

In March Avexa said a meeting with the US Food and Drug Administration found a regulatory pathway for apricitabine and chief executive officer Dr Jonathan Coates told Biotech Daily at that time that the company retained about \$20 million in cash, but any new trial would primarily be funded by a partner for the drug (BD: Mar 28, 2011).

Today, Avexa said Pharmaventures had "global transactional expertise in the healthcare and investment business sectors".

Avexa chairman Iain Kirkwood said the appointment was "the next logical step in the commercialization of ATC following our successful regulatory meeting with the FDA".

Pharmaventures chief executive officer Dr Fintan Walton said his company was "delighted to have been chosen by Avexa to assist in achieving its business goal of maximizing the return on investment in its development compound apricitabine".

"With 20 years' experience of deals and alliances, Pharmaventures can provide Avexa with immediate access to extensive licensing expertise and a network of key decision-makers in relevant companies," Dr Walton said.

Avexa was unchanged at 4.8 percent.

PHOSPHAGENICS

Phosphagenics has appointed the Singapore based Sungate Supplies Pte to distribute its Elixia personal care range in the Asia Pacific region by the end of 2011.

Phosphagenics said "the milestone distribution deal" would exclusively supply AS Watson and Company stores, beginning in Singapore.

The company said AS Watson & Co was a retail and consumer division of the Hong Kong-based Hutchison Whampoa and was "the largest health and beauty retailer in the world".

Phosphagenics chief executive officer Dr Esra Ogru said while the Elixia range had achieved Australian sales of \$1 million, the Asian region was "the fastest growing skincare market in the world".

"In 2010 skincare sales across the region generated \$37.4 billion," Dr Orgu said.

"We are very excited about this milestone," Dr Ogru said .

"This is in-line with our strategy to become an international skincare brand," she said.

"We are continuing to pursue other opportunities in the Asia region as well as Europe and the US," Dr Ogru said. "Phosphagenics is on track to meet its stated goal of becoming financially independent by the end of 2012."

Phosphagenics Elixia range includes moisturizers, cream skin cleanser, body lotion and several products described as "anti-ageing" and both the biotechnology research for drug delivery and the cosmetic range use the company's tocopheryl phosphate mixture or TPM technology to penetrate the skin.

Phosphagenics was up half a cent or 3.85 percent to 13.5 cents with 3.1 million shares traded.

CSL

Capital Group Companies have again reduced their substantial shareholding in CSL from 34,827,695 shares (6.496%) to 28,713,899 shares (5.4709%).

Capital Group said it sold the 6,113,796 shares for an average price of \$32.8175.

In March Capital Group sold 7,026,383 shares for an average price of \$33.7785 reducing its CSL holding from 7.52 percent to 6.50 percent (BD: Mar 23, 2011).

Last year Capital Group acquired 4,063,035 shares for an average \$33.4027 per share between October 19, 2009 and March 8, 2010 (BD: Mar 10, 2011).

The Capital Group said it did not own shares in CSL but on behalf of "one or more of the investment management companies that make up the Capital Group Companies".

CSL fell 14 cents or 0.4 percent to \$32.36 with 2.4 million shares traded..

TISSUE THERAPIES

Australian Ethical's Smaller Companies trust has increased its substantial holding in Tissue Therapies from 9,190,495 shares (6.12%) to 15,020,430 shares (8.90%).

Tissue Therapies said it acquired the 5829935 shares for \$2,914,968 or an average price of 50 cents a share in the recent rights issue and placement (BD: May 25, 2011).

Tissue Therapies was up one cent or 1.7 percent to 60 cents.

PATRYS

Citigroup Global Markets has increased its substantial shareholding in Patrys from 12,483,366 shares (5.01%) to 15,348,195 shares (6.159%).

Citigroup said it acquired the 2,864,829 shares "solely in its capacity as prime broker with power to control the disposal of the shares" and did not cite a purchase price.

Patrys was up 0.3 cents or 3.3 percent to 9.3 cents.

AVITA MEDICAL

Australian Ethical Smaller Companies Trust has increased its share-holding in Avita but has been diluted through a placement and share plan.

In the change of substantial shareholder notice, Australian Ethical said it increased and was diluted from 25,113,305 shares (11.95%) to 26,050,000 shares (10.54%).

Australian Ethical said it acquired the 936,695 shares for \$107,941 or an average price of 11.52 cents a share.

Avita was unchanged at 11.5 cents.