



Biotech Daily

Friday September 23, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: OPTISCAN UP 16%; SUNSHINE HEART DOWN 17%**
- * **BIONICHE TIGHTENS BELTS FOR 2012-'13 PROFIT**
- * **EASTLAND RAISES \$226k, \$265k TO GO**
- * **COGSTATE AGM FOR 7.5m SHARES, 550k DIRECTOR OPTIONS**
- * **ELLEX LOSES DIRECTOR PROF JOHN MARSHALL**

MARKET REPORT

The Australian stock market fell a further 1.56 percent on Friday September 23, 2011 with the S&P ASX200 down 61.7 points to 3,903.2 points.

Just four of the Biotech Daily Top 40 stocks were up, 26 fell, five traded unchanged and five were untraded.

Optiscan was best, up 1.4 cents or 16.3 percent to 10 cents with 108,000 shares traded.

Benitec climbed five percent; Heartware and QRX rose more than two percent; with CSL up 1.6 percent.

Sunshine Heart led the falls, down 0.8 cents or 17.0 percent to 3.9 cents with 467,989 shares traded, followed by Antisense down 11.1 percent to 0.8 cents with 263,272 shares traded.

Compumedics lost 8.75 percent; Nanosonics fell seven percent; Alchemia and Viralytics were down more than six percent; Cellmid, Genetic Technologies and Prima fell more than five percent; Mesoblast, Psivida and Tissue Therapies lost more than four percent; Clinuvel, Pharmaxis, Phosphagenics, Reva, Sirtex and Starpharma were down three percent or more; Acrux shed 2.2 percent; with Anteo, Biota, LBT, Living Cell, Patrys, Phylogica, Resmed and Universal Biosensors down one percent or more.

BIONICHE

Bioniche says it will manage its cash flow with spending restrictions including, but not limited to, a hiring freeze and material expenditure reductions for all departments.

Last week Bioniche said its net loss after tax for the 12 months to June 30, 2011 was up 864.5 percent to \$C15,336,000 (\$A15,125,000) on revenue down 21.5 percent to \$C36,044,000, while sales, primarily of veterinary products, increased 1.4 percent to \$C27,366,000, with research collaborations up 72.9 percent to \$C3,146,000 but licencing revenue fell 65.9 percent to \$C5,532,000 (BD: Sep 15, 2011).

Today, Bioniche said the results showed an increase in both administrative and research and development expenditures, with a decrease in overall revenues due to a reduction in milestone revenues from the company's human health development partner.

The company said its burn rate or the cash used in operations was approximately \$1 million a month and it held \$16.8 million in cash, cash equivalents and short-term investments at June 30, 2011.

Bioniche said it intended its current cash resources to support operations until it achieved positive cash flow from operations.

The company said that beyond the hiring freeze and expenditure reductions, reducing the corporate burn rate would be through increasing revenues from animal health product sales; increasing animal health profits, by focusing on high margin products; and reducing overheads as some of the late-stage research projects mature.

Bioniche chairman Graeme McRae said the goal was "to progressively reduce the burn rate from the current \$1 million per month through the remainder of fiscal 2012".

"In fiscal 2013, our goal is to eliminate our burn rate altogether and show sustained profitability by the end of that year," Mr McRae.

Bioniche was untraded at 70 cents.

EASTLAND MEDICAL SYSTEMS

Eastland has raised \$226,035 of a hoped for \$490,726 through the issue of 45,206,864 0.5 cent options exercisable at five cents by December 30, 2012.

The company said the capital raising had a 46 percent take-up and the directors were confident that the shortfall of 52,938,266 would be placed no later than November 2, 2011 raising a further \$264,691.

Eastland said the funds were for working capital and to complete the Artimist sub-lingual paediatric malaria project.

Eastland was unchanged at 1.5 cents.

COGSTATE

Cogstate's annual general meeting will vote to issue 550,000 options to four directors, re-elect three directors and approve the prior issue of 7,461,831 shares.

Cogstate's notice of meeting proposed the issue of 250,000 options to chief executive officer Brad O'Connor, 100,000 options each to chairman Martyn Myer and Rodolfo Chapa and 50,000 options each to David Simpson and Richard van den Broek.

Cogstate said shareholders would be asked to approve the prior issue of 7,461,831 shares to Quixote Investments at a notional price of 17 cents a share for 50 percent of Axon Sports and elect directors Mr Chapa, Mr Simpson and Mr van den Broek.

The meeting will be held at Level 2, 255 Bourke Street, Melbourne on October 25, 2011 at 1pm (AEDT).

Cogstate was untraded at 16 cents.

ELLEX MEDICAL LASERS

Ellex says Prof John Marshall has resigned as a non-executive director of the board. Ellex said Prof Marshall had been appointed to a new position in London and would “no longer be able to apply the time necessary to the Ellex board”. The company said Prof Marshall was appointed a director in October 2007. Ellex was unchanged at 12 cents.