



Biotech Daily

Wednesday February 22, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: OPTISCAN UP 14%, BENITEC DOWN 5%**
- * **CSL H1 REVENUE UP 6% TO \$2.3b, PROFIT DOWN 3.4% TO \$483m**
- * **ACRUX H1 REVENUE DOWN 95% TO \$5m, PROFIT DOWN 91% TO \$5m**
- * **ACRUX TO LOSE CEO DR RICHARD TREAGUS**
- * **PHOSPHAGENICS \$1m 'TAX PROFIT', REVENUE DOWN 38% TO \$3m**
- * **NOVOGEN TO BID FOR \$3.75m OF MARSHALL EDWARDS \$7.5m RIGHTS**
- * **IMPEDIMED REVENUE DOWN 25% TO \$1.5m, LOSS DOWN 27% TO \$6m**
- * **DR BRUCE GRAY SIRTEX PAYMENT ENDS UWA CASE**
- * **M&G GROUP BUYS 1m MORE MESOBLAST SHARES**
- * **BIOPROSPECT TO RAISE \$3.25m VIA NOTE, PLACEMENT, RIGHTS ISSUE**

MARKET REPORT

The Australian stock market edged up 0.04 percent on Wednesday February 22, 2012 with the S&P ASX 200 up 1.9 points to 4293.1 points. Nine of the Biotech Daily Top 40 stocks were up, 17 fell, nine traded unchanged and five were untraded.

Optiscan was the best, up two cents or 14.3 percent to 16 cents with 413,014 shares traded, followed by Genetic Technologies up eight percent to 13.5 cents with 205,209 shares traded.

Prima climbed 4.9 percent; Allied Health was up 3.6 percent; Anteo and CSL both rose 2.5 percent; Living Cell, QRX and Pharmaxis were up more than one percent; with Starpharma up 0.35 percent.

Benitec led the falls, down 0.1 cents or five percent to 1.9 cents, with 3.85 million shares traded.

Antisense, Cathrx and Cochlear lost four percent or more; Bionomics, Clinuvel, Impedimed and Neuren were down more than three percent; Avita, Nanosonics, Phylogica and Tissue Therapies shed more than two percent; Acrux, Alchemia, Pharmaxis and Viralytics were down more than one percent; with Biota and Mesoblast down by less than one percent.

CSL

CSL's net profit after tax for the six months to December 31, 2011 fell 3.4 percent from \$500 million to \$483 million on revenue up 6.3 percent to \$2,309 million.

CSL chief executive officer Dr Brian McNamee told a telephone conference that in 'constant currency' terms the CSL profit was up 15.5 percent and total sales revenue was up 13.4 percent.

Last year, CSL's net profit after tax for the six months to December 31, 2010 fell 18.96 percent from \$617 million to \$500 million but the adjusted figure was up three percent (BD: Feb 16, 2011).

CSL said that although total sales revenue had increased by \$105.1 million, the cost of sales including cost of goods increased \$137.7 million.

Research and development expenditure increased 12 percent from \$143,756,000 in the six months to December 31, 2010 to \$160,989,000 for the six months to December 31, 2011.

As a percentage of total revenue, research and development expenditure increased from 6.6 percent for the half year to December 31, 2010 to 7.0 percent for the six months to December 31, 2011.

Dr McNamee said the company's immunoglobulin sales were up for all three products as well as strong demand for Berinert for self-administration for hereditary angio-oedema, along with albumin, Gardasil and influenza vaccine products.

CSL said that diluted earnings per share was up 0.9 percent to 92.05 cents and the interim unfranked dividend of 36 cents a share was up from the 35 cents in the previous corresponding period.

The company said it had \$1.3 billion in cash at December 31, 2011, with borrowings of \$1.278 billion.

Dr McNamee said that CSL was forecasting 13 percent profit growth for the year to June 30, 2012.

CSL was up 77 cents or 2.5 percent to \$31.72 with 3.6 million shares traded.

ACRUX

Acrux says its revenue for the six months to December 31, 2011 fell 95 percent to \$4,717,000 taking net profit after tax down 91 percent to \$5,096,000.

Acrux said that last year's figures included that \$US87 million payment by Eli Lilly following US Food and Drug Administration marketing authorization for its Axiron testosterone treatment.

The company said the net tangible asset backing per share was down 79.2 percent to 16 cents.

Acrux said diluted earnings per share was three cents compared to the previous corresponding period's 34 cents.

Last year Acrux paid a 60 cents per share dividend, but said there would be no dividend this year.

Acrux said it held cash and cash equivalents of \$28,217,000 at December 31, 2011 compared to \$147,094,000 at December 31, 2010.

Acrux chief financial officer Jon Pilcher told Biotech Daily the dividend reduced the balance by about \$99 million.

Acrux fell five cents or 1.4 percent to \$3.45.

ACRUX

Acrux says chief executive officer Dr Richard Treagus will resign on June 30, 2012 and will be replaced by executive chairman Ross Dobinson.

Acrux said that Mr Dobinson was a former chief executive officer of the company.

The company said that Dr Treagus would work with the company for the transition and would provide consulting services to the company as required.

Acrux said that Ross Barrow would be appointed as a non-executive director from April 1, 2012.

The company said that Mr Barrow was formerly chief operating officer and a director of Vision Biosystems and when Vision was acquired by Danaher Corp was involved in the integration with Leica Microsystems.

Acrux said that Mr Barrow was the chief executive officer of Paranta Biosciences.

PHOSPHAGENICS

Phosphagenics says revenue for the 12 months to December 31, 2011 was down 38.05 percent to \$3,171,000 with a turnaround net profit after tax of \$1,106,000.

Phosphagenics said the loss before tax was in line with the previous year of \$12,724,000 but the consolidation of the group's accounts provided a one-off income tax benefit of \$13,830,000.

The company said that sales of goods, primarily the Elixia range of cosmetics, was up 500.5 percent to \$2,516,000, but licence revenue fell 94.8 percent to \$228,000 from the previous year's \$4,386,000, primarily a contract with Prophase Laboratories.

The company said that diluted earnings per share was 0.13 cents, compared to the previous year's loss per share of 1.52 cents.

Phosphagenics said it held \$27,196 in cash and cash equivalents at December 31, 2011, compared to \$2,740,000 at December 31, 2010.

Phosphagenics was unchanged at 20 cents with 2.1 million shares traded.

NOVOGEN

Novogen says it will bid for up to \$US4 million worth of shares in 57 percent subsidiary Marshall Edwards \$US8 million (\$A7.5 million) rights issue.

Novogen said that Marshall Edwards had filed a registration statement with the US Securities and Exchange Commission and details of the offer would be announced in due course.

Novogen chairman William Rueckert said that Novogen would exercise rights for up to \$US4 million of Marshall Edwards common stock.

"We also intend to distribute a portion of the [Marshall Edwards] rights that we receive directly to our shareholders," Mr Rueckert said.

"This will not only allow Novogen to continue to support the efforts of the [Marshall Edwards] drug development program but will also allow the Novogen shareholders to participate directly ... through the exercise of the distributed rights," Mr Rueckert said.

Novogen said that its exercise, and distribution, of the rights would be subject to shareholder approval.

The company said that Marshall Edwards intended to use the proceeds to continue the clinical development of its two lead oncology drug candidates, ME-143 and ME-344.

Novogen fell 0.3 cents or 3.2 percent to 9.2 cents.

IMPEDIMED

Impedimed says revenue for the six months to December 31, 2011 fell 25 percent to \$1,488,000 with net loss after tax reduced 27 percent to \$5,936,000.

Impedimed said the loss was reduced "due to foreign exchange fluctuations and savings in salaries and benefits, offset by increased expenditure in research and development for the UB500, and advertising and promotion".

Impedimed said its net tangible assets per share fell 35.7 percent to nine cents and diluted loss per share fell 33 percent to four cents.

The company said it had cash and cash equivalent of \$12,112,000 at December 31, 2011 compared to \$19,939,000 at December 31, 2010.

Impedimed fell two cents or 3.8 percent to 51 cents.

SIRTEX MEDICAL

Sirtex says that founder former chairman and chief executive officer Dr Bruce Gray has paid \$3,067,019 in costs and damages for the long-running court proceedings.

Sirtex said it received the last payment of \$500,000 today ending the complex proceedings involving Dr Gray, the company and the University of Western Australia over the intellectual property rights to the company's technology.

Sirtex said it successfully in the case brought by the University as well as its cross claim against Dr Gray (BD: Sep 8, Oct 7, 2009; Feb 15, Jun 11, 2010; Mar 18, 2011).

Sirtex was unchanged at \$5.00.

MESOBLAST

M&G Investment Funds have increased their substantial holding in Mesoblast from 30,984,977 shares (11.04%) to 32,018,195 shares (11.25%).

M&G said that it bought shares between December 12, 2011 and February 13, 2012 with a single sale of 250,000 shares for \$1,960,664 or \$7.84 a share and crossing within the group of 600,000 shares for \$4,668,000 or \$7.78 a share.

Mesoblast fell three cents or 0.4 percent to \$7.66.

BIOPROSPECT

Bioprospect hopes to raise \$3,250,000 through a \$750,000 convertible note, a \$500,000 placement and a one-for-four rights issue.

Bioprospect chairman Winton Willesee told Biotech Daily the company hoped to raise up to \$2 million in the rights issue.

Bioprospect said the convertible note would primarily fund gasfields exploration.

The company said the placement would be at 0.5 cents and each new share would come with an attaching option exercisable at three cents by December 31, 2013.

Bioprospect said the rights issue would be on the same terms.

The company said the funding was managed by Novus Capital, which was partially underwriting the rights issue.

Bioprospect was unchanged at half a cent with 1.7 million shares traded.