



# Biotech Daily

Monday February 27, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH UP: PSIVIDA UP 9%, ANTISENSE DOWN 5%**
- \* **MESOBLAST H1 REVENUE DOWN 82% TO \$19m, LOSS UP 147% TO \$44m**
- \* **GENETIC TECHNOLOGIES H1 REVENUE DOWN 74%, PROFIT TO LOSS**
- \* **PHYLOGICA H1 REVENUE DOWN 22% TO \$1.4m, LOSS UP 55%**
- \* **BRAIN H1 REVENUE UP 9% TO \$4m, PROFIT UP 170% TO \$1.5m**
- \* **ADVANCED SURGICAL H1 REVENUE UP 17% TO \$4m, LOSS DOWN 65%**
- \* **DR DAINA VANAGS REPLACES CBIO M-D HELEN CAMERON; DIRECTORS**
- \* **PRIMA PLEADS SCHULTZ, GOOD NEWS TO ASX 21% QUERY**
- \* **CHALLENGER, NOVAPORT REDUCE 1% IN MEDICAL DEVELOPMENTS**
- \* **SOLAGRAN, ART LIFE \$94m RUSSIAN JOINT VENTURE**

## MARKET REPORT

The Australian stock market fell 0.91 percent on Monday February 27, 2012 with the S&P ASX 200 down 39.4 points to 4267.4 points.

Twelve of the Biotech Daily Top 40 stocks were up, eight fell, 18 traded unchanged and two were untraded.

Psivida was the best, up 10 cents or 8.7 percent to \$1.25, with 5000 shares traded. On the Nasdaq on February 24, Psivida was up 48.7 percent to \$US1.74 with 450,286 shares traded. Phosphagenics climbed 8.1 percent to 20 cents with 2.35 million shares traded.

Optiscan and Prima were up six percent or more; Sirtex was up 5.4 percent; Pharmaxis was up 4.8 percent; Mesoblast was up 3.2 percent; Starpharma rose 2.2 percent; Acrux, Resmed, Tissue Therapies and Universal Biosensors were up more than one percent; with QRX up 0.6 percent.

Antisense led the falls, down 0.1 cents or 4.8 percent to two cents, with 4.5 million shares traded, followed by Avita down three percent to 16 cents with 444,040 shares traded.

Impedimed, Phylogica, Reva and Viralytics lost two percent or more; Anteo, Clinuvel and CSL were down more than one percent; with Cochlear down 0.55 percent.

### MESOBLAST

Mesoblast says revenue for the six months to December 31, 2011 was down 82 percent to \$18,967,000, with a net loss after tax up 147 percent to \$44,127,000.

Mesoblast received its upfront licence payment of \$US100 million from Cephalon in the previous corresponding period (BD: Dec 8, 2010; Feb 28, 2011).

Mesoblast said its net tangible assets per share climbed 218.4 percent to 46.65 cents and basic loss per share was 15.52 cents compared to the previous period's diluted earnings per share of 55.43 cents.

The company said it had cash and cash equivalent of \$240,842,698 at December 31, 2011 compared to \$140,603,985 at December 31, 2010.

Mesoblast was up 24 cents or 3.2 percent to \$7.80 with 933,363 shares traded.

### GENETIC TECHNOLOGIES

Genetic Technologies says its revenue for the six months to December 31, 2011 fell 74 percent to \$3,654,456 taking the previous comparable period's net profit after tax of \$4,235,536 to net loss after tax of \$3,322,510.

Genetic Technologies said that the reduced revenue was in part due to increased licencing revenue in the previous corresponding period and the loss related to expenditure on the roll-out of its Brevagen tests in the US.

The company said the net tangible asset backing per share was up 121 percent to 2.78 cents.

Genetic Technologies said diluted loss per share was 0.8 cents compared to the previous corresponding period's diluted earnings per share of 1.1 cents.

Genetic Technologies said it held cash and cash equivalents of \$12,580,688 at December 31, 2011 compared to \$8,427,407 at December 31, 2010.

Genetic Technologies was unchanged at 12 cents.

### PHYLOGICA

Phylogica says revenue for the six months to December 31, 2011 was down 22.05 percent to \$1,382,000, with a net loss after tax up 54.77 percent to \$1,427,000.

Phylogica said it generated revenue of \$US1.3 million in the six months to December 31, 2011 and signed a deal with Johnson & Johnson's Janssen and had made progress in its collaborations with Astrazeneca's Medimmune and Pfizer.

The company said it was pursuing new revenue streams through its target discovery and validation unit Phenomica, in conjunction with collaborators at Cambridge University.

Phylogica said its net tangible assets per share climbed 266.7 percent to 1.1 cents and basic loss per share fell 5.4 percent to 0.35 cents.

The company said it had cash and cash equivalent of \$3,897,000 at December 31, 2011 compared to \$1,795,317 at December 31, 2010.

Phylogica fell 0.1 cents or 2.9 percent to 3.3 cents with 1.1 million shares traded.

### BRAIN RESOURCE

Brain Resource says revenue for the six months to December 31, 2011, was up nine percent to \$4,164,000 with the net profit after tax up 170 percent to \$1,529,000.

Brain said the funds were primarily from sales of its brain diagnostic products.

Brain was untraded at 26 cents.

### ADVANCED SURGICAL DESIGN & MANUFACTURE

Advanced Surgical says revenue for the six months to December 31, 2011 was up 17.4 percent to \$3,965,000, with a net loss after tax down 64.6 percent to \$575,000.

The company said its net tangible assets per share fell 32.7 percent to 9.63 cents and diluted loss per share fell 64.6 percent to 1.63 cents.

The company said it had debts of \$339,000 at December 31, 2011 compared to \$37,000 at December 31, 2010.

Advanced Surgical was unchanged at 24 cents.

### CBIO

CBio says that Dr Daina Vanags has replaced Helen Cameron as interim managing director with Brett Heading and Dr James Campbell appointed as directors.

CBio says that chief scientific officer Dr Vanags was appointed acting chief executive officer pending the appointment of a permanent chief executive officer.

The company said that Dr Vanags has a Ph D in pharmacology from the University of Adelaide before undertaking postdoctoral appointments in clinical pharmacology at Oxford University and in toxicology at the Karolinska Institute, Sweden.

CBio said Dr Vanags had more than 20 years experience in clinical and experimental pharmacology, with 15 publications in peer-reviewed journals in the field of inflammation.

The company said Dr Vanags joined CBio in 2004 and as chief scientific officer was responsible for the overall management of CBio's preclinical studies, clinical trials, specialist assays, intellectual property, chemistry manufacturing and quality controls.

CBio said Mr Heading was an experienced corporate lawyer with a depth of experience across merger and acquisitions, capital raising, takeovers panel and Government and ASX-listed company board positions and had been a partner of law firm McCullough Robertson for 26 years, with significant involvement in food, agriculture and life sciences. The company said Mr Heading was the chairman of Trinity Ltd and a director of ERM Power Ltd.

CBio said that former Chemgenex chief operating officer Dr Campbell had more than 20 years experience in scientific research, research management, management consulting and venture capital.

The company said that Dr Campbell was a principal of advisory services company Gemini Biotechnology and is a co-founder of Vitality Devices (BD: Feb 20, 20112).

CBio fell 1.5 cents or 14.3 percent to nine cents.

### PRIMA BIOMED

Prima has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from 21 cents on February 20, 2012 to 25.5 cents on February 24, 2012, a 21.4 percent increase and noted an increase in trading volume.

Prima said it had recently made announcements on listing on Nasdaq and posted its company newsletter as well as a presentation by chief medical officer Dr Neil Frazer.

The company said the "announcements were received well by shareholders".

Prima was up 1.5 cents or six percent to 26.5 cents with 15.9 million shares traded.

### MEDICAL DEVELOPMENTS INTERNATIONAL

Challenger and Novaport Capital have further reduced their substantial shareholding in Medical Developments from 3,706,103 (7.22%) to 3,306,103 shares (6.14%).

The substantial shareholder notices, both from Pitt Street, Sydney said the companies sold the 400,000 shares for \$218,997 or an average price of 54.7 cents each.

In January Novaport said it acquired 4,769,957 shares for \$1,860,283 or 39 cents a share (BD: Jan 31, 2011).

Novaport is an independent boutique investment group, related to the Challenger group. Medical Developments was up two cents or 3.2 percent to 64 cents.

### SOLAGRAN

Solagran says it will form a joint venture with Russia's Art Life to develop and manufacture food additive products using its conifer needle extract 'Bioeffectives'.

Solagrab said that up to five products would be introduced in Russia in April 2012 and it was intended to expand the territories to cover the South East Asian, Indian German and Kazakhstan.

Solagran said that Art Life had operations in food supplements across Russia, Ukraine, Germany and India and was in the process of gaining entry to the South American markets, distributed through a "multi-level marketing network with members exceeding 500,000".

Solagran quoted Art Life founder and owner Prof Alexander Avstrievskih saying his company was "actively engaged in the development and production of functional foods such as cereals, soups, candies, gels, jellies, tea, coffee, cocoa and kissels [and] the product range also includes cosmetics and personal care items".

Prof Avstrievskih said his company produced hard and soft gelatine capsules with production capacity for hard capsules in the order of two billion a year.

"We sell our products in Russia, Ukraine, Kazakhstan, the Baltics, Greece, Germany, India and South Korea," Prof Avstrievskih said.

"Given our existing growth rates I am forecasting revenues in the order of \$US100 million [\$A93.6 million] for 2012, Prof Avstrievskih said.

Solagran was up 0.3 cents or 7.7 percent to 4.2 cents.