



# Biotech Daily

Monday April 23, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH UP: OPTISCAN UP 13%, PRIMA DOWN 9%  
- STARPHARMA PASSES \$500m**
- \* **BIOTA BUYS NABI FOR ITS \$52m CASH, NASDAQ BACKDOOR LISTING**
- \* **IMMURON PLACEMENT RAISES \$1m, SHARE PLAN FOR \$1m MORE**
- \* **AGENIX TAKES SECOND FORTREND FACILITY FOR \$1.2m**
- \* **CRYOSITE \$1m PROFIT GUIDANCE, DIVIDEND**
- \* **M-D FABIO PANNUTI TAKES 8% OF CONSEGNA**
- \* **CYCLOPHARM AGM FOR 6.7m DIRECTOR SHARES**
- \* **CELLMID REQUESTS CAPITAL RAISING TRADING HALT**

## MARKET REPORT

The Australian stock market fell 0.32 percent on Monday April 23, 2012 with the S&P ASX 200 down 14.1 points to 4,352.4 points. Eighteen of the Biotech Daily Top 40 stocks were up, nine fell, 10 traded unchanged and three were untraded.

Optiscan was the best, up 1.5 cents or 13.0 percent to 13 cents with 512,869 shares traded, followed by Viralytics up 10.1 percent to 38 cents with 205,963 shares traded. Nanosonics and Psivida climbed eight percent or more.

Starpharma was up 12 cents or 7.1 percent to its highest closing price of \$1.82, with 1.3 million shares traded and taking its market capitalization to \$511 million.

Sirtex was up 4.55 percent; Heartware, Pharmaxis and Sunshine Heart were up more than three percent; Anteo, Avita, Circadian, Ellex, Genera and Tissue Therapies rose two percent or more; Living Cell and Resmed were up more than one percent; with Acrux, Cochlear and QRX up by less than one percent.

Prima led the falls, down two cents or 9.1 percent to 20 cents with 24.4 million shares traded, followed by Biota down nine percent to 86 cents with 2.2 million shares traded.

Antisense lost 5.6 percent; Allied Health, Mesoblast and Neuren were down more than three percent; Genetic Technologies and Phylogica shed more than two percent; with Alchemia and CSL down by less than one percent.

## BIOTA HOLDINGS

Pending shareholder approvals, Biota will acquire Nabi Biopharmaceuticals for a backdoor listing on Nasdaq, acquiring \$US54 million in cash and be headquartered in the US.

Biota said it was proposed that the Rockville, Maryland-based Nabi acquire all of Biota's shares and Biota delist from the ASX.

In a media teleconference, Biota chairman Jim Fox said that the merger would provide Biota with \$US54 million (\$A52.4 million) in cash and a Nasdaq listing.

Mr Fox said that Biota gave a zero value to Nabi's drug pipeline which included the revenue-generating drug Phoslyra for the control of hyperphosphataemia in end-stage renal failure, as well as an anti-smoking vaccine Nicvax, which had not met the primary endpoints of a phase III trial, but was currently in a combination trial.

Nabi's market capitalization on April 20, 2012 was \$US79.3 million (\$A76.5 million), according to the Nasdaq, while Biota's ASX market capitalization was \$A172 million. Biota chief financial officer Damian Lismore told Biotech Daily that Nabi had more than \$US90 million in cash which would be used to pay debt and a return to Nabi shareholders, with Biota effectively raising the \$US54 million balance at a 16 percent discount to Biota's closing price at April 20, 2012.

Mr Fox said that Biota's Australian and Oxford, UK operations would continue largely unchanged with 65 and 10 research staff, respectively.

He said that chief executive officer Peter Cook would retire, the chief executive officer and chief financial officer roles would move to the US and the company was looking for a chief executive officer known to the US markets.

Mr Fox said that despite the \$US231 million US Office of Biomedical Advanced Research and Development Authority (BARDA) contract to further develop its laninamivir anti-influenza drug, available in Japan as Inavir, the deal was not reflected in the company's share price (BD: Apr 1, 2011).

He said that listing on Nasdaq would provide Biota with "access to bigger and deeper capital markets ... [and was] simply altering where shares are traded".

In its media release, Biota said that following the merger it would have three royalty generating products, Relenza, Inavir and potentially Phoslyra; the BARDA contract; a portfolio of clinical and pre-clinical programs comprising vapendavir for human rhinovirus, programs for respiratory syncytial virus, hepatitis C, broad spectrum antibiotic targeting gyrase; and an interest in Nicvax and more than \$US100 million in cash.

Mr Lismore told Biotech Daily that BARDA was responsible for purchases of Relenza to the US stockpile and said "it is a lot easier for BARDA to put an order on a US company".

Biota said the merger, through a scheme of arrangement, would require approval from both Biota and Nabi shareholders and independent reports, along with other conditions. Biota's major shareholders are Hunter Hall with 13.66 percent and the US-based Landon Clay with 11.33 percent.

Nabi will acquire all of Biota's shares in exchange for new shares in the name of the Nasdaq listed Biota Pharmaceuticals and Biota would be de-listed from the ASX.

The company said that on completion of the merger, current Biota shareholders would own about 74 percent of Biota Pharmaceuticals and Nabi shareholders would own about 26 percent.

Biota said the board would have six former Biota directors including chairman Jim Fox and two Nabi directors, with Mr Cook and Mr Lismore continuing for the time being.

Biota said it expected the deal to close by September 30, 2012.

Biota said it would hold investor briefings in Melbourne, Brisbane and Sydney in the coming week.

Biota fell 8.5 cents or nine percent to 86 cents with 2.2 million shares traded.

## IMMURON

Immuron says it has raised \$1 million through a placement at two cents a share and will offer an underwritten share purchase plan to raise a further \$1 million.

Immuron said Patersons Securities was lead manager the placement to institutional and sophisticated investors and would be the underwriter of the share plan.

Immuron said the placement would be in two tranches with the second tranche requiring shareholder approval, as would a proposal to issue investors one attaching option for each new share, exercisable at four cents by April 30, 2015.

The company said that the share purchase plan would allow shareholders at the record date of April 20, 2012 to apply for up to \$15,000 in new shares at two cents each.

Immuron said the share plan would close on May 23, 2012.

Immuron said the funds would be used for the continued roll-out of Travelan, the ongoing development of programs, including the influenza product and working capital.

The company said the funds would not be used to fund the phase IIb clinical trial of IMM-124E to treat fatty liver and non-alcoholic steatohepatitis

The company said that shareholders at the record date of July 23, 2012 would receive one bonus option for each parcel of four shares, exercisable at four cents by April 30, 2015.

Immuron said the extraordinary general meeting would be held on May 31, 2012.

Immuron fell 0.6 cents or 23.1 percent to two cents with two million shares traded.

## AGENIX

Agenix says it has a \$1.2 million equity draw-down facility with Fortrend Securities, in its own capacity and as agent for a sophisticated investor.

Agenix said that Fortrend would provide up to \$1.2 million payable in 12 monthly instalments of \$100,000 in return for shares.

The company said the funding "provides certainty to Agenix shareholders as it approaches the completion of key development milestones" including pre-clinical studies and the filing of its application to begin human trials in China of hepatitis B drug AGX-1009 and the program to partner or licence its late-stage blood clot diagnostic Thromboview.

Agenix said the Fortrend funds would be in return for shares at a 10 percent discount to 20-day volume weighted average price and the facility was in addition to a \$5 million facility with Fortrend from 2010, which remained in place (BD: May 25, 2010).

Agenix fell 0.1 cents or 9.1 percent to one cent with 1.8 million shares traded.

## CRYOSITE

Cryosite says that full-year profit after tax for the 12 months to June 30, 2012 is expected to range between \$950,000 and \$1,050,000 compares to the previous year's \$334,305.

Cryosite said that net profit after tax for the six months to December 31, 2011 was \$338,602 and its financial performance was "a result of continued growth in all segments of the company's business".

Cryosite said that it expected to pay a full-year dividend and paid a maiden unfranked dividend of 0.5 cents on April 5, 2012.

Cryosite managing director Gordon Milliken told Biotech Daily that his company had expanded from its original cord-blood banking service to become an integrated biological logistics company.

Mr Milliken said he believed Cryosite was the largest clinical trials logistics company in Australia.

Cryosite was untraded at 12.5 cents.

### CONSEGNA

Consegna's managing director Fabio Pannuti has increased his substantial share-holding from 36,859,135 shares (7.41%) to 74,312,763 shares (8.04%).

Mr Pannuti said the shares were acquired in the acquisition of Leading Edge Instruments and were held by Inverness Group Holdings and Ecosse Equities (BD: Apr 17, 2012).

Consegna fell 0.1 cents or 3.3 percent to 2.9 cents.

### CYCLOPHARM

Cyclopharm shareholders will vote to issue managing director James McBrayer 6,707,383 shares and provide financial assistance of \$603,664 to buy the shares.

Cyclopharm said the share issue and assistance was under the company's long term incentive plan and would be made in two tranches.

The company said the first tranche of 4,471,589 shares would be priced at 10 cents a share and the second tranche of 2,235,794 shares would be priced at seven cents a share.

Cyclopharm said the loan term was for two years from allotment with interest payments limited to dividends on the plan shares.

Cyclopharm said shareholders would vote on an on-market buy-back of up to 25 percent of the company's shares and the re-election of director Vanda Russell Gould.

The meeting will be held at the Australian School of Advanced Medicine, 2 Technology Place Drive, Macquarie University Hospital, North Ryde, New South Wales on May 24, 2012 at 12.30pm (AEST).

Cyclopharm was up 0.2 cents or five percent to 4.2 cents with 50 shares traded.

### CELLMID

Cellmid has requested a trading halt pending an announcement "in relation to a proposed capital raising".

Trading will resume on April 26, 2012 or on an earlier announcement.

Cellmid last traded at 2.1 cents.