



Biotech Daily

Friday June 22, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALLIED HEALTH UP 11%, OPTISCAN DOWN 18%**
- * **ATCC ORDERS FIRST BLUECHIP TRACKING SYSTEMS**
- * **PATRY'S PLACEMENT RAISES \$2m, SHARE PLAN FOR \$900k MORE**
- * **MEDICAL DEVELOPMENTS UPGRADES FULL-YEAR PROFIT TO \$2.45m**
- * **MEDIVAC METAMIZER, SUNNYWIPES FOUNDER; REPUBLICA MERGER**
- * **VINTAGE TAKES 9% OF PROBIOTEC**
- * **BIOTECH CAPITAL QUILTS NEURODISCOVERY**
- * **NARHEX DIRECTOR PETER NASH RESIGNS**

MARKET REPORT

The Australian stock market fell 0.96 percent on Friday June 22, 2012 with the S&P ASX 200 down 39.4 points to 4,048.2 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and six were untraded. All three Big Caps fell.

Allied Health was the best, up 0.2 cents or 11.1 percent to two cents with 154,555 shares traded.

Tissue Therapies climbed eight percent; Anteo and Benitec were up more than six percent; Antisense, Alchemia, Avita, and Viralytics were up more than five percent; Acrux and Neuren were up more than four percent; Nanosonics rose two percent; Bionomics was up 1.8 percent; with Sirtex up 0.7 percent.

Yesterday's 56 percent best, Optiscan, led the falls, down 2.5 cents or 17.9 percent to 11.5 cents with 79,102 shares traded, followed by Patrys down 0.3 cents or 12 percent to 2.2 cents with 182,096 shares traded.

Ellex and Sunshine Heart lost more than eight percent; Compumedics was down 6.8 percent; Prima fell 4.35 percent; Genetic Technologies, Pharmaxis and Phosphagenics were down more than three percent; QRX shed 2.95 percent; Biota, Impedimed, Mesoblast, Resmed, Reva and Starpharma were down more than one percent; with Cochlear and CSL down by less than one percent.

BLUECHIIP

Bluechiip says that the pilot trial of its tracking system by ATCC has led to its first sales order for an undisclosed quantity and value of products.

Last year, Bluechiip signed an evaluation agreement with the Manassas, Virginia-based ATCC formerly known as the American Type Culture Collection to evaluate its tracking technology (ND: Nov 8, 2012).

The company said that ATCC stored about 10 million biological samples of different forms, with a repository containing 200 freezers to store biomaterials, including vapor-phase liquid nitrogen freezers, mechanical freezers and cold rooms.

Bluechiip said that ATCC was purchasing the system to "be an early adopter of the ... technology and to facilitate enhancement of cryogenic sample management and bench research via temperature evaluation and tracking".

The company said that the end-users of ATCC products and services came from more than 140 countries and included researchers in academia, government and industry.

Bluechiip said the pilot trial was a collaboration co-sponsored with ATCC and Corning Life Sciences and conducted at ATCC's biological resource facility in Manassas.

The company said the pilot trial evaluated the technology across a range of cryogenic sample management and cold chain processes and verified the system, which enabled sample identification and temperature information to be read at temperatures as low as minus 196 degrees Celsius and enabled data to be transmitted through frost.

Bluechiip managing director Brett Schwarz said the first sales order was "validation of the enormous potential and wide-ranging applications of the Bluechiip tracking solution".

ATCC inventory control and repository operations manager, Kathleen Wyatt said that her company had "a long history of exploring inventive and forward-thinking technologies in biological materials management".

"Bluechiip is elevating cold chain custody and temperature tracking to an exciting new level," Ms Wyatt said. "This endeavor with Bluechiip has the potential to enhance future offerings by ATCC."

Bluechiip was up 2.5 cents or 12.5 percent to 22.5 cents.

PATRYS

Patrys says it has raised \$2 million through a placement at two cents a share and will offer a share purchase plan to raise a further \$900,000.

Patrys said the placement managed by Forrest Capital was to existing and new institutional and sophisticated investors and the second tranche would require shareholder approval at an extraordinary general meeting to be held on or about August 15, 2012.

Patrys said that the share purchase plan would allow shareholders at the record date of June 21, 2012 to apply for up to \$15,000 in new shares at two cents each.

Patrys did not provide the opening and closing dates for the share plan.

The company said that it hoped to raise up to \$800,000 in the share plan and as non-resident directors Michael Storck and Suzy Jones were not eligible, they would buy a further 5,000,000 shares raising a further \$100,000.

Patrys said 50 million advisor options would be issued for \$5,000 or one cent each, exercisable at five cents each by June 30, 2014.

Patrys said the funds would be used for the planned PAT-SM6 phase I/IIa open label multi-dose clinical trial in multiple myeloma; further preparation of the PAT-LM1 clinical trial; support out-licencing activities for PAT-SC1; and expanding the pipeline through internal research and development.

Patrys fell 0.3 cents or 12 percent to 2.2 cents.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has upgraded its profit guidance for the year to June 30, 2012 from the previous estimate of \$2.2 million to \$2.45 million.

Medical Developments said the net profit after tax for the year to June 30, 2011 was \$1.74 million.

The company said it developed and distributed emergency pain relief and respiratory products, specifically the fast-acting Pentrox (methoxyflurane) inhaler for acute pain relief.

Medical Developments was up 8.5 cents or 12.1 percent to 79 cents.

MEDIVAC

Medivac says it has a "heads of terms of agreement" with Republica Capital for a potential merger and assets acquisition.

Medivac said the proposed transaction would "vend-in income-producing assets to be clarified during the course of due diligence, would provide for a payout of the La Jolla funding facility and provide an immediate injection of cash and future funding for the merged businesses".

The company said that "delays in achieving critical regulatory decisions across both the Metamizer and Sunnywipes businesses has resulted in a significant drain in cash resources, and at the same time seen low share market liquidity and led to some uncertainty regarding our ability to rely on the La Jolla funding facility".

Medivac said the proposed transaction provided for an immediate injection of \$154,572 at 0.6 cents a share and a loan of about \$300,000 on terms to be agreed, to fund the business until the transaction receives shareholder approval.

The company said it would undertake a strategic review of its businesses with an aim to reducing its cost base.

Medivac said Republica Capital was a specialist high yield investment manager which makes strategic investments in businesses with the aim of adding value for all parties and the transaction was subject to due diligence over the next fortnight.

The company said it intended to offer existing shareholders "a further opportunity to participate in the expanded business and is exploring alternatives, including a non-renounceable rights issue".

Medivac said it was commercializing technologies for the handling and remediation of clinical waste and the Metamizer was "an environmentally friendly alternative waste management system for hospitals and quarantine facilities, providing sterile, safe waste disposal on site and reducing waste to landfill by up to 90 percent" by sterilizing and shredding waste.

The company said that Sunnywipes were hard surface wipes and hand sanitizing gels.

Medivac fell 0.1 cents or 20 percent to 0.4 cents with 2.3 million shares traded.

PROBIOTEC

Vintage Capital has increased its substantial share-holding in Probiotec from 2,947,481 shares (6.32%) to 4,400,000 shares (8.63%).

The Neutral Bay, Sydney-based Vintage Capital said the shares were acquired between April 14, 2008 and June 18, 2012 at prices ranging from \$2.49 a share on October 1, 2009 to 24.5 cents a share on June 18, 2012.

Probiotec was untraded at 24 cents.

NEURODISCOVERY

Biotech Capital says it has ceased its substantial holding in Neurodiscovery, selling 8,823,530 shares for \$219,860 or 2.5 cents a share.

The Perth-based Biotech Capital previous notice from May 31, 2007 said Biotech Capital held 4,700,000 shares directly for \$799,000 or 17 cents share and 1,210,000 through Gemelli Nominees giving a total interest of 5,910,000 shares or 13.8 percent of Neurodiscovery.

A subsequent announcement said that Biotech Capital acquired a further 4,123,530 shares at 17 cents a share taking its total holding, without the Gemelli holding, to 8,823,530 shares or 15.4 percent.

Biotech Capital director Harry Karelis told Biotech Daily today that Gemelli was his company and that although Biotech Capital had sold its entire holding in Neurodiscovery, he continued to hold 5,000,000 shares in the company.

Neurodiscovery was untraded at 2.7 cents.

NARHEX LIFE SCIENCES

Narhex says that executive director Peter Nash has resigned.

Narhex said that Mr Nash had been a director of the company responsible for operations in China since its initial public offer in 2004.

Narhex was untraded at 0.6 cents.