



Biotech Daily

Thursday March 5, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: SIRTEX UP 11%; PHYLOGICA DOWN 16%**
- * **CYTOPIA INJUNCTION TO DELAY PROGEN-AVEXA MERGER MEETING**
- * **AVEXA'S DR JULIAN CHICK: 'WE WILL DO A DEAL WITH ATC'**
- * **SPACELABS ORDERS 34 USCOM MONITORS**
- * **PSIVIDA COMPLETES PANCREATIC CANCER TRIAL ENROLMENT**
- * **BIOTRON 8¢ SHARE PLAN TO RAISE UP TO \$2.5m**
- * **HUNTER HALL INCREASES TO 30% OF SIRTEX**
- * **ASIA UNION TAKES 18% OF TISSUE THERAPIES**
- * **INGALLS & SNYDER TAKES 5% OF PHOSPHAGENICS**
- * **FLUOROTECHNICS APPOINTS JAMES WALKER AS CEO**
- * **ETHICAL INVESTOR BIOTECH FORUM CANCELLED**

MARKET REPORT

The Australian stock market climbed 0.7 percent on Thursday March 5, 2009 with the S&P ASX 200 up 22.1 points to 3,188.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, five fell, 13 traded unchanged and 10 were untraded.

Sirtex was best, up 23 cents or 10.85 percent to \$2.35 with 35,772 shares traded, followed by Phosphagenics up 10.53 percent to 10.5 cents.

Progen and Sunshine Heart both climbed 9.09 percent; Avexa was up 7.04 percent; Biota rose 5.15 percent; Genera was up 4.76 percent; Antisense, Chemgenex and Prana were up more than three percent; Peplin and Resmed were up more than one percent; with Cochlear and Heartware up less than one percent.

Phylogica led the falls, down 0.8 cents or 16 percent to 4.2 cents with 100,000 shares traded. Clinuvel and Cytopia lost five percent or more; Polartechnics fell 3.41 percent; Pharmaxis was down 1.24 percent; with CSL down three cents or 0.09 percent.

CYTOPIA, PROGEN, AVEXA

Progen says it will oppose a Cytopia injunction to prevent it holding the March 11, 2009 Avexa merger meeting.

In a media release to the ASX, Progen said it received notice of proceedings in the Federal Court of Australia of Cytopia seeking an injunction to prevent Progen from holding the meeting and to require Progen to include the resolutions which were to be considered at the merger meeting on the agenda for the requisitioned general meeting to be held on March 27, 2009 (BD: Dec 22, 2008; Feb 25, Mar 2, 2009).

Progen said it would oppose the application and unless there was a further announcement, shareholders should assume that the merger meeting would proceed on March 11.

The company said that if shareholders intended to appoint a proxy to vote at the merger meeting, proxy forms needed to be received by Computershare Investor Services by 10am EST on March 9, 2009.

Cytopia chief executive officer Andrew Macdonald told Biotech Daily that the success of his group's proposed adjournment resolution "may happen or it may not" and the injunction would ensure that all shareholders would have a say.

"All meetings should be held at the same time," Mr Macdonald said.

He said Progen shareholders giving their proxies to the chairman of the Progen-Avexa merger effectively gave the chairman the right to use their votes on any and all resolutions at that meeting.

Progen was up seven cents or 9.09 percent to 84 cents.

Cytopia fell half a cent or 5.56 percent to 8.5 cents.

AVEXA

Avexa chief executive officer Dr Julian Chick says he is confident he will find a major pharmaceutical partner for his company's phase III HIV drug Apricitabine.

Dr Chick told Biotech Daily that there were two significant milestones approaching: 96 week safety data from the company's phase II trial and 16 week data from the on-going phase III trial.

Dr Chick said that the 96-week safety data was due by the end of this month, March 31, 2009, and that positive news would have implications for a number of drugs including Glaxosmithkline's drug for late stage HIV patients, Abacavir and Bristol Myers Squibb, D4T.

Dr Chick said there were toxicity issues with some late-stage drugs and his company's Apricitabine, also known as ATC, would be a replacement for those drugs.

Dr Chick said that the phase III trial was comparing 1200mg and 800mg doses of Apricitabine to a control group with 16-week data expected by June 30, 2009.

He said that if the two doses demonstrated equal safety and efficacy it would mean that higher doses of the drug were safe, while the lower dose was effective in treatment and could be combined with other HIV drugs, providing a more convenient dosing regime for patients.

Dr Chick said that unless the 1200mg dose showed considerably superior safety and efficacy that arm would be removed from the trial.

"I am quietly optimistic," Dr Chick said.

"I am sure we will eventually do a deal with ATC at some stage."

Avexa climbed half a cent or 7.04 percent to 7.6 cents.

USCOM

Uscom says US partner Spacelabs Healthcare has placed orders for a further 34 ultrasonic cardiac output monitors.

Uscom said some of the monitors would be used to support Spacelabs' marketing activity and the remainder were for inventory ready to meet expected customer demand over the coming months.

The company said the units, worth about \$US20,000 (\$A31,100) each, would be delivered over the next four months.

Uscom was untraded at 55 cents.

PSIVIDA

Psivida says it has completed enrolment for its Brachysil dose-ranging clinical trial for pancreatic cancer.

Psivida chief executive officer Dr Paul Ashton said Brachysil or P32 Biosilicon was "a potentially effective treatment for pancreatic cancer, a devastating disease for patients and their families".

The company said the dose-ranging study, conducted at London's Guy's and St Thomas' Hospital and the University Hospital in Birmingham was designed to assess the safety of escalating radiation doses of the Brachysil device.

Psivida said patient survival and tumor response were secondary end points.

The study followed a safety study of Brachysil in patients with inoperable pancreatic cancer which showed Brachysil in combination with standard chemotherapy (gemcitabine) was well tolerated with no clinically significant adverse events related to the device.

Psivida said the data also showed disease control in 82 percent of patients and an overall median survival of people in the study of 309 days.

Brachysil was also found to be easily deliverable by endoscopic ultrasound. The data was presented at the American Society of Clinical Oncology.

Pancreatic cancer is the fourth most frequent cause of cancer death, and at least 80 percent of patients present with inoperable locally advanced or metastatic disease.

Psivida said the median survival for these patients following diagnosis was typically less than 178 days with standard chemotherapy and there was significant clinical and market demand for more effective therapies.

Psivida was untraded at \$1.00.

BIOTRON

Biotron is offering eligible shareholders up to \$5,000 worth of shares at eight cents a share to raise up to \$2,506,646.

Biotron said the issue of up to 31,333,069 shares would "support the company's ongoing operational costs, including funding the completion of the phase Ib/IIa hepatitis C clinical trial and ensuring the company is in a position to complete negotiation of a licensing deal".

The eight cents price is a 15 percent discount to the five-day, volume weighted average price to February 23, 2009.

The company said shareholders at the record date of March 2, 2009 would be eligible to participate in the plan.

The non-renounceable offer closes on April 6, 2009.

Parcels of shares can be bought in a range from \$1,000 to \$5,000.

The offer is being managed by Bell Potter Securities.

Biotron was up one cent or 11.11 percent to 10 cents.

SIRTEX

Hunter Hall Investment Management has increased its substantial shareholding in Sirtex from 15,924,564 shares (28.55%) to 16,684,884 shares (29.92%).
Sirtex was up 23 cents or 10.85 percent to \$2.35.

TISSUE THERAPIES

Asia Union Investments has increased its substantial shareholding in Tissue Therapies from 8,394,137 shares (14.81%) to 12,750,000 shares (17.86%).
Tissue Therapies was up three cents or 27.27 percent to 14 cents.

PHOSPHAGENICS

Ingalls & Snyder has become a substantial shareholder in Phosphagenics with a holding of 33,460,149 shares or 5.04 percent of the company.
The New York City-based Ingalls & Snyder said it paid \$US87,638.70 between October 13, 2008 and January 12, 2009 for 1,545,934 shares.
Phosphagenics was up one cent or 10.53 percent to 10.5 cents.

FLUOROTECHNICS

Fluorotechnics has appointed James Walker as its chief executive officer replacing co-founder Dr Duncan Veal effective from today.
Fluorotechnics said Dr Veal was an experienced microbiologist and would also resign as a director and take on the role of chief technology officer responsible "to drive the pipeline of new products to the market" from the company's German manufacturing and research and development facility.
The company said Mr Walker had been its chief financial and operations officer since July 2002.
Prior to joining Fluorotechnics Mr Walker was chief financial officer at the Hotel Dynamics Group and had also been chief financial officer of Biosignal.
Fluorotechnics was untraded at 76 cents.

ETHICAL INVESTOR FORUM

Ethical Investor magazine says its one-day forums in Melbourne and Sydney in March have been cancelled.
The magazine said the forums were intended to bring together specialists on the investment case for the life sciences industry including investors, consultants, analysts and companies (BD: Feb 3, 2009).
The organizers said the event was cancelled "due to the low level of registrations and the inability of a couple of companies to fulfil their commitment to make their presentation".
For more details go to: <http://www.ethicalinvestor.com.au>.