



# Biotech Daily

Monday October 19, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH UP: CATHRX UP 15%; VIRALYTICS DOWN 9%**
- \* **SIRTEX PAYS FIRST DIVIDEND ON STRONG QUARTER SALES**
- \* **TISSUE THERAPIES' PLACEMENT RAISES \$5m; SHARE PLAN FOR \$1.5m**
- \* **CYTOPIA OPENS 4<sup>th</sup> CENTRE FOR CYT997 GLIOMA STUDY**
- \* **IMMURON SETTLES EX-CEO DR ZEIL ROSENBERG DISPUTE FOR \$65K**
- \* **LIVING CELL TO VOTE ON 1.3m DIRECTORS' PAY OPTIONS**
- \* **BIOPROSPECT TO ASX: UPDATE PUSHED SHARE PRICE 52%**

## MARKET REPORT

The Australian stock market fell 0.9 percent on Monday October 19, 2009 with the S&P ASX 200 down 43.6 points to 4792.8 points.

Twenty of the Biotech Daily Top 40 stocks were up, 12 fell, four traded unchanged and four were untraded.

Cathrx was best for the second trading day in a row, up eight cents or 15.4 percent to 60 cents with 379,671 shares traded, followed by Living Cell up 11.5 percent to 29 cents and Antisense up 10 percent to 5.5 cents.

Pharmaxis and Universal Biosensors climbed more than six percent; Genetic Technologies and Phylogica were up more than four percent; Acrux, Alchemia, Genera, Phosphagenics, Prana and Tissue Therapies rose more than two percent; with Bionomics, Cellestis, Clinuvel, Psivida and Sirtex up more than one percent.

Viralytics led the falls, down 0.3 cents or 8.8 percent to 3.1 cents with 1.5 million shares traded.

Nanosonics and Optiscan fell four percent or more; Sunshine Heart lost 3.85 percent; Avexa, Benitec, Biota and Progen shed two percent or more; with Chemgenex, Circadian, Cochlear and Starpharma down more than one percent.

## SIRTEX MEDICAL

Sirtex will pay a two cent dividend with a five cent special dividend following a 68 percent increase in operating profit for the three months to September 30, 2009.

Sirtex said the two cents a share dividend would fully franked and a special dividend of five cents a share would also be paid fully franked on December 15, 2009 with a record date of November 30, 2009.

Sirtex said the operating profit excluding foreign exchange and interest was up 68 percent \$5.47 million for the three months to September 30, 2009 compared to the previous corresponding period.

Sirtex said revenue was up 34 percent to \$16.47 million, largely due to a 27 percent increase in sales of SIR-Spheres for liver cancer, across Europe and the US.

The company said European sales grew 70 percent and the US was up 16 percent.

Sirtex said it had \$30.7 million in cash as at September 30, 2009, compared to \$8 million on September 30, 2008.

Sirtex's chief executive officer Gilman Wong said the results confirmed "the growing strength of Sirtex Medical's business in spite of the difficult global economic environment".

"With no debt and \$30.7 million in cash, Sirtex Medical is positioned to build onto its strengths, including the opening of new markets and product extensions," Mr Wong said.

The company said that with more than four quarters of positive cash flow, the ASX had confirmed it was no longer required to lodge an Appendix 4C on a quarterly basis.

Sirtex said the strong Australian dollar created a foreign exchange loss of \$1.2 million for the quarter, compared with a gain of \$3.8 million for the same period last year, causing profit before interest and tax to fall 53 percent to \$3.8 million.

Sirtex said that it expected to recover a significant portion of its \$5.5 million legal costs incurred in the intellectual property court case brought by the University of Western Australia that was dismissed April 2008 (BD: Sep 8, 2009).

Sirtex said that as part of continuing growth in its product pipeline its investment in clinical studies rose 21 percent and investment in research and development grew 242 percent.

The company said its expansion of export markets was aided by a 33 percent increase in marketing spending.

Sirtex was up eight cents or 1.4 percent to \$5.80.

## TISSUE THERAPIES

Tissue Therapies has raised \$5 million in a placement at 15 cents a share and hopes to raise up to \$1.5 million in a share plan.

Tissue Therapies chief executive officer Dr Steven Mercer told Biotech Daily he had hoped to raise about \$3 million in the placement to Australian sophisticated and institutional investors and was "delighted" to raise \$5 million in the placement.

Dr Mercer said the company would provide a share plan which he hoped would raise a further \$1.5 million which would see the company reach all of its intended milestones.

Dr Mercer said the details for the share purchase plan would be released later this week.

In its media release to the ASX Tissue Therapies said 11,720,723 shares worth \$1.76 million would be issued immediately and 21,612,611 shares worth \$3.24 million would be issued subject to shareholder approval at the coming annual general meeting.

The company said the funds raised would help complete the current clinical trials of the Vitrogro wound therapy; assist scale-up manufacture of Vitrogro for sale; and complete negotiations with a partner to enable commercialization of the Vitrogro technology.

Tissue Therapies said the lead manager to the placement was RBS Morgans.

Tissue Therapies was up half a cent or 2.44 percent to 21 cents.

## CYTOPIA

Cytopia has ethics committee approval to dose patients in its CYT997 phase II trial for glioblastoma multiforme at Queensland's Gold Coast Hospital.

Cytopia said the hospital would be the fourth clinical site for the study of CYT997 for the "aggressive form of brain tumor which is currently treated by surgical resection, and/or radiation and chemotherapy".

The company said the Gold Coast Hospital's Dr Andrew Hill would be the local principal investigator.

Cytopia said that despite the existing treatments, glioblastoma multiforme recurs in most patients.

The company said that glioblastoma multiforme tumors were "highly vascular, rendering them potentially susceptible to destruction by an anti-vascular agent such as CYT997".

Cytopia said it expected to file regulatory submissions to the Medicines and Healthcare Products Regulatory Agency (MHRA) to enable dosing at clinical centres in the United Kingdom and was considering further centres in North America.

Cytopia chief executive officer Andrew Macdonald said the company was "looking forward to concluding the dose escalation portion of this study early next year".

Cytopia was untraded at 10 cents.

## IMMURON

Immuron says it has settled its legal dispute over the non-renewal of former chief executive officer Dr Zeil Rosenberg's employment for \$US60,000 (\$A65,000).

Immuron said the matter was settled with a denial of liability and the sum was paid in full and final settlement.

Dr Rosenberg employment was terminated on May 29, 2009 and on July 6, 2009 Immuron said Dr Rosenberg was claiming up to \$500,000.

Immuron was unchanged at eight cents.

## LIVING CELL TECHNOLOGIES

Living Cell's annual general meeting will vote on the issue of 1,300,000 unlisted options to three directors, apparently in lieu of directors' pay.

Newly appointed directors Robert Finder and David McAuliffe will receive 150,000 options each, exercisable at 25 cents a share and a further 250,000 options each, exercisable at 35 cents a share.

Director David Brookes will be issued 250,000 options exercisable at 25 cents a share and a further 250,000 options, exercisable at 35 cents a share.

In the explanatory notes attached to the notice of meeting Living Cell said the options would form "a component" of the directors' remuneration.

"Remunerating directors in this manner reduces the cash cost to the company and aligns the reward to senior management with those to shareholders," Living Cell said.

The company did not disclose whether they would receive directors fees as well and if so at what level.

No one from Living Cell was available for comment at the time of publication.

The annual general meeting will also vote on the election of Mr Finder and Mr McAuliffe and the re-election of directors Prof Robert Elliott and Laurie Hunter.

The meeting will be held at the offices of Kemp Strang, Level 14, 55 Hunter Street, Sydney, on November 19, 2009 at 12pm.

Living Cell was up three cents or 11.5 percent to 29 cents with 1.1 million shares traded.

## BIOPROSPECT

Bioprospect has told the ASX that the second edition of its newsletter on October 15, 2009 could explain recent trading in its securities.

The ASX said the company's share price rose from 2.7 cents on October 15, 2009 to 4.1 cents on October 16, 2009, a rise of 51.9 percent, along with an increase in trading volume.

Bioprospect said the newsletter had "a heavy emphasis on the recent acquisition of Regen Wellness Products.

Bioprospect did not mention the recent appointment of major investor Leo 'The Gun' Khouri as a director (BD: Sep 24, 2009).

Bioprospect fell 0.1 cents or 2.4 percent to four cents with 4.0 million shares traded.