



Biotech Daily

Thursday October 22, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: LABTECH UP 12%; ACRUX DOWN 8%**
- * **PSIVIDA'S BRACHYSIL HALTS PANCREATIC TUMORS IN 6 PATIENT TRIAL**
- * **ANTEO RIGHTS OFFER RAISES \$865k**
- * **PROGEN LEGAL ACTION TO PREVENT AGM BOARD SPILL**
- * **20% OPPOSE OPTIONS FOR PHARMAXIS CEO DR ALAN ROBERTSON**
- * **METABOLIC AGM VOTES ON NAME CHANGE TO CALZADA**
- * **JAPANESE PATENT FOR PRIMA**
- * **INCITIVE TO RAISE \$750k**
- * **BIO-MELBOURNE BREAKFASTS ON THE PBS**

MARKET REPORT

The Australian stock market fell 0.53 percent on Thursday October 22, 2009 with the S&P ASX 200 down 25.8 points to 4812.8 points.

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

Labtech was best, up 1.5 cents or 12 percent to 14 cents with 6,000 shares traded, followed by Impedimed up 11.3 percent to 69 cents with 284,496 shares traded.

Cathrx and Psivida climbed more than seven percent; Benitec was up 6.4 percent; Phosphagenics was up 5.1 percent; Bionomics, Clinuvel, Novogen and Sirtex were up more than three percent; Avexa and Pharmaxis rose more than two percent; with Chemgenex and Living Cell up more than one percent.

Acru led the falls, down 16 cents or 7.6 percent to \$1.96 with 476,970 shares traded, followed by Uscom down 5.7 percent to 74 cents.

Circadian lost 4.1 percent; Antisense was down 3.85 percent; Biota shed 2.9 percent; with Genera, Mesoblast and Peplin down more than one percent.

PSIVIDA

Psivida says a six-patient clinical trial of Brachysil (phosphorous³² Biosilicon) for inoperable pancreatic cancer stabilized tumor growth in all patients.

Psivida said the six patients were studied at two UK centers, London's Guy's and St Thomas' Hospitals and Birmingham's University Hospital.

The study's aim was to determine the safety of escalating radiation doses of Brachysil and determine an optimum dosing level, with tumor response a secondary end point.

Psivida chief executive officer Dr Paul Ashton said Brachysil "once again produced encouraging clinical results with 100 percent of patients experiencing stabilization in tumor growth".

"We are very encouraged by the results of both this dose ranging study and the prior safety study," Dr Ashton said.

The company said the previous study showed that Brachysil in combination with standard chemotherapy (gemcitabine), was well tolerated with no clinically significant adverse events related to the device.

Psivida said data in the first study showed disease control in 82 percent of patients.

No device-related serious adverse events were experienced at the elevated levels and independent dosimetry experts have concluded from the data that 400 Gray units (400Gy) or radiation was the optimum dose.

Psivida said Brachysil was implanted directly into the tumor and was found to be easily deliverable by endoscopic ultrasound.

Psivida said Brachysil was a novel oncology product comprising the company's porous silicon Biosilicon and anti-cancer therapeutic, the isotope phosphorus³².

Psivida said pancreatic cancer was the fourth most frequent cause of cancer death in the US and more than 80 percent of patients present with inoperable locally advanced or metastatic disease.

Psivida was up 30 cents or 7.9 percent to \$4.10.

PROGEN

Progen has moved to prevent another board spill until after legal proceedings against a group of investors have been heard

Progen said that on October 20, 2009, it applied to the Supreme Court of Queensland for a court order directing the chairman to adjourn all resolutions concerning the appointment and removal of directors until 35 days after the determination of the legal proceedings.

The application will be heard by the Court on November 9, 2009.

Progen chief executive officer Justus Homburg told Biotech Daily the company was required to hold its annual meeting by the end of November at which time shareholders would vote on the election of the appointed directors (BD: Jul 1 and 17, 2009).

In August Progen began proceedings against the shareholders alleging that they contravened section 606 of the Corporations Act 2001 (BD: Aug 4, 2009).

The company said at that time that the alleged contraventions related to the respondents having a greater than 20 percent interest in Progen's shares and "acting in concert for the purpose of controlling or influencing the composition of the board of Progen".

Progen said today it was seeking an order to restrain the respondents from contravening section 606 and further or alternatively, an order vesting all of the respondents' Progen shareholdings in the Australian Securities and Investment Commission.

Progen says a date of early February 2010 has been set for its Queensland Supreme Court proceedings against Medigen and investors allegedly associated with Medigen.

Progen was untraded at 58.5 cents.

ANTEO DIAGNOSTICS

Anteo has received applications for 144,121,521 shares worth \$864,729 in its fully underwritten share rights issue.

When it announced the rights issue, Anteo said Transocean Securities has underwritten the plan to raise \$1.08 million (BD: Sep 21, 2009).

Anteo said it was working with Transocean "to complete the final applicant listing over the coming days".

Anteo was unchanged at 0.8 cents.

PHARMAXIS

A significant minority of Pharmaxis investors opposed the granting of options to chief executive officer Dr Alan Robertson at the company's annual general meeting.

Pharmaxis said Dr Robertson was awarded the 200,000 options with 96,829,433 proxy votes (79.7%) in favor to 24,636,449 proxy votes against (20.3%).

There was a lower level of dissent against the adoption of the remuneration report with more than 116.4 million proxy votes in favor and 6.07 million proxy votes against.

The meeting also saw 4.17 million proxy votes against the issue of 30,000 restricted shares to director Richard van den Broek but the vote was easily carried with 117.28 million proxy votes in favor.

Mr van den Broek was reelected overwhelmingly with just 190,235 proxy votes opposing his directorship and more than 122 million in favor.

Pharmaxis was up seven cents or 2.66 percent to \$2.70.

METABOLIC

Metabolic's annual general meeting will vote to change the name of the company to Calzada Limited.

Metabolic said Calzada was "a Spanish word meaning 'paved road' and signifies the change in the company's overall corporate strategy".

Metabolic said it is seeking to out-licence its drug development assets and restructure its interest in Polynovo Biomaterials.

The company said the objective of these initiatives was to enable it "to more actively pursue other new business opportunities".

Metabolic chairman David Franklyn told Biotech Daily that the new opportunities were "not necessarily biotech".

The change of company name requires a majority of more than 75 percent of the votes cast by eligible shareholders.

All the other resolutions relate to the reelection of directors, the remuneration report and takeover provisions.

The meeting will be held at Unit 2, Level 1, 320 Lorimer Street, Port Melbourne on November 23, 2009 at 10.30am (AEDT).

Metabolic was unchanged at three cents.

PRIMA BIOMED

Prima says the Japanese Patent Office has granted a patent for peptides that mimic the MUC1 antigen, the key cancer antigen under development in its ovarian cancer immunotherapy program.

Prima fell one cent or 5.4 percent to 17.5 cents with 14.9 million shares traded.

INCITIVE

Incitive says Greenday Corporate will raise \$750,000 in a placement of 150 million shares at 0.5 cents each.

Incitive said the shares will be subscribed by Fullerton Private Capital and other sophisticated investors in a placement across two tranches.

The first tranche will be 50 million shares and will be made under the company's 15 percent capacity under Listing Rule 7.1.

The second tranche, along with the grant of 40 million options, exercisable at one cent by June 30, 2012, proposed to be issued as placement fees, will be subject to shareholder approval.

Incitive said the funds would be used for general working capital purposes and for the identification and review of new business opportunities.

Incitive was unchanged at 0.7 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says the November 10, 2009 Bio-Breakfast will be a detailed discussion of the Pharmaceutical Benefits Scheme.

Federal Department of Health and Ageing official Paul Storey will lead the discussion Mr Storey is the director of publishing from the Pharmaceutical Evaluation Branch within the Department of Health and Ageing.

The Bio-Melbourne Network said Mr Storey would focus on the role of the Pharmaceutical Benefits Scheme, recent changes to the Scheme, including new classifications and rules and understanding ambiguities.

Mr Storey will also cover strategies in gaining a listing on the Pharmaceutical Benefits Scheme and limitations of the Scheme.

Deacons Lawyers partner Bernard O'Shea will discuss significant legal changes related to listing on the Pharmaceutical Benefits Scheme.

Bio-Melbourne Network chief executive officer Michelle Gallaher said the discussion was "very topical ... given the huge amounts of money the Government spends in order to support newly developed Australian drugs".

"A recent article in The Age newspaper has stated that the cost of treating cancer with breakthrough drugs will become unaffordable," Ms Gallaher said.

"This was after the Federal Government said it would spend \$104 million to support the drug Revlimid, a drug that fights a rare blood malignancy," Ms Gallaher said.

"The Australian Government supports a multitude of drugs via the PBS, so that many Australians can access affordable life saving medications, however the Government cannot support every drug that comes onto the market," Ms Gallaher said.

The November 10 Bio-Breakfast will be held at the Supper Room, Melbourne Town Hall, Swanston Street, Melbourne with registration from 7.15 and presentations from 8am.

For more information or to book online go to <http://www.biomelbourne.org/events/view/63> or call Anita Petris on +613 9667 8182.