



# Biotech Daily

Friday October 30, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: PHYLOGICA UP 17%; GENETIC TECHNO DOWN 7%**
- \* **ADVANCED SURGICAL SELLS KNEE TO STRYKER FOR \$3m**
- \* **AVITA POSTS MAIDEN CASH-FLOW POSITIVE QUARTER; \$5m IN BANK**
- \* **AGENIX DUMPS DIRECTOR JONATHAN ZHANG; ALL OTHER VOTES PASS**
- \* **GRANT TAKES NEUREN CASH FLOW POSITIVE; SCHULTZ TO ASX QUERY**
- \* **FLUOROTECHNICS HAS ONE QUARTER CASH**
- \* **FERMISCAN, GIACONDA, IM MEDICAL LESS THAN ONE QUARTER CASH**
- \* **DIA-B (PALLANE) LESS THAN ONE QUARTER CASH; \$30m DRAW DOWN**
- \* **BONE, STIRLING, SOLAGRAN HAVE LESS THAN 2 QUARTERS CASH**
- \* **SOLAGRAN APPOINTS DAVID CROLL CFO**
- \* **ROCKEY CLARIFIES SUBSIDIARIES LIQUIDATION**

## MARKET REPORT

The Australian stock market recovered 1.5 percent on Friday October 30, 2009 with the S&P ASX 200 up 68.5 points to 4643.2 points.

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

Phylogica was best, up 1.7 cents or 17.35 percent to 11.5 cents with 419,000 shares traded, followed by Benitec up 13.95 percent to 4.9 cents.

Alchemia climbed 9.2 percent; Chemgenex and Tissue Therapies were up six percent or more; Phosphagenics and Prana were up more than five percent; Acrux, Bionomics, Nanosonics and Uscom were up more than four percent; Universal Biosensors was up 3.2 percent; Compumedics, Mesoblast and Psivida rose more than two percent; with Biota, Cellestis and Sirtex up more than one percent.

Genetic Technologies led the falls, down 0.4 cents or 7.3 percent to 5.1 cents with 20 (twenty) shares traded. Bone and Novogen shed more than two percent; with Clinuvel and CSL down more than one percent.

## ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical Design and Manufacture has sold the rights to its Active Unicompartmental Knee to the US-based Stryker for \$3 million.

Advanced Surgical said Stryker had brought forward completion of the purchase of the intellectual property for the orthopaedic surgery invention which was developed, manufactured and commercialized by the company and has been marketed in Australia, Europe and Asia under licence to Stryker.

Advanced Surgical chief executive officer Dr Greg Roger said the company recovered its investment in research and development through global, "but Stryker was keen to take it even further and as a result has brought forward the completion of the contract by two years".

Dr Roger told Biotech Daily the final payment of more than \$1.0 million brought the total proceeds to more than \$3.0 million over three years.

In a media release Dr Roger said the "invaluable injection of funds" would be used for on-going research and development at the Sydney manufacturing plant.

Dr Roger said Advanced Surgical was well-advanced in trials of its Therapeutic Goods Administration-approved Peripheral Access Device (PAD).

Originally used to increase blood flow to peripheral limbs to save them from amputation Dr Roger said the Peripheral Access Device also allowed "more precise targeting of cancer in specific parts of the body, such as the liver or a limb, and has the potential to improve cure rates".

Trials are being established in the UK, Germany and Australia.

"We expect results from trials to be available in 2010 and thus commence roll-out of the PAD to the world," Dr Roger said.

Dr Roger told Biotech Daily that he hoped to file an investigational device application with the US Food and Drug Administration in 2011 and have the Peripheral Access Device available in the US market "within the next several years".

Dr Roger said it was difficult to nominate timelines as it was a new device.

He said the PAD was able to be sold in Australia and the EU.

"It's just over two months ago that we announced to the ASX that ASDM was granted Class IIa approval by the TGA for its medical breakthrough PAD product for use in cancer therapy, which has the potential to save thousands of lives," Dr Roger said in the media release.

"Isolated organ and limb chemotherapy allows the cancer to be subjected to a higher dose of chemotherapy while at the same time reducing the effect of treatment on the rest of the body," Dr Roger said.

"It also may allow the use of treatment agents that are not otherwise able to be used due to their toxicity," he said.

Dr Roger said that as well as the saving of lives through treatment there were "huge projected cost savings for the healthcare system" through the use of the Peripheral Access Device along with the potential income to his company.

"Our long term aim is to see specialist centres in major cities worldwide using ASDM-developed technologies," Dr Roger said.

Advanced Surgical said the Peripheral Access Device allowed for multiple uses of balloon catheters or tubes that are inserted into the arteries for treatment.

The current method of putting a catheter into an artery requires extensive surgical intervention and was usually only able to be done once or twice for each patient.

The PAD would allow a trial of multiple treatments for each patient using isolated organ perfusion with the potential for improved cure rates, the company said.

Advanced Surgical was unchanged at 60 cents.

### AVITA MEDICAL

Avita has reported revenue for the three months to September 30, 2009 of \$779,963, primarily from sales of its respiratory products, as well as a grant.

In its Appendix 4c quarterly report Avita, which is the successor company to the merger of Clinical Cell Culture and Visiomed, said its net operating cash flow for the three months to September 30 was \$111,512 and the company had \$5,143,915 in cash.

Avita fell 0.5 cents or 3.1 percent to 15.5 cents.

### AGENIX

Agenix investors dumped director Jonathan Zhang while supporting all other resolutions by margins of more than 96.3 percent to 3.7 percent.

Mr Zhang's reelection as director attracted just 4,111,669 proxy votes in favor and 119,015,430 votes against.

Mr Zhang was the founder of Shanghai Rui Guang Bio-Pharma Development, which Agenix first attempted to acquire in 2007, when Mr Zhang was appointed to the board.

Agenix company secretary Jeffrey Luckins told Biotech Daily that Mr Zhang was not employed in any other capacity by Agenix or any of the entities it controls.

Mr Zhang was appointed chief executive officer of Agenix Bio-Pharmaceutical (Shanghai) during the course of the acquisition of the Chinese assets.

The adoption of the remuneration report was opposed by 4,139,662 (3.7%) but supported by 107,268,985 votes (96.3%), with all other resolutions passed by larger margins.

The chairman's address to the annual general meeting discussed the matter of former chief executive officer Neil Leggett which is before the courts in Queensland.

Agenix is in a suspension and last traded at 1.7 cents.

### NEUREN

A grant of \$NZ 3,435,000 (\$A2,744,800) has taken Neuren cash flow positive for the three months to September 30, 2009.

The company's net operating cash flow was \$NZ1,589,000 and it reported cash of \$NZ3,091,000.

Neuren told the ASX it had "no explanation for the price change and volume increase" in its shares. Neuren climbed to 4.7 cents before closing down 0.3 cents or 7.3 percent at 3.8 cents with 9.7 million shares traded.

### FLUOROTECHNICS

Fluorotechnics says its net operating cash burn for the three months to September 30, 2009 was \$1,158,741 with cash at the end of the quarter of \$713,689.

Fluorotechnics said there was an expenditure of \$209,706 for goods that are held as inventory and sales will be recorded after September 30.

The company said it had a loan facility of \$350,000 and credit arrangements of \$190,000. Fluorotechnics was cents.

### FERMISCAN

Fermiscan says its net operating cash burn for the three months to September 30, 2009 was \$2,406,000 with cash at the end of the quarter of \$716,000.

Fermiscan is in a suspension and last traded at three cents.

### GIACONDA

Giaconda says its net operating cash burn for the three months to September 30, 2009 was \$133,000 with cash at the end of the quarter of \$95,000.

Giaconda was untraded at 12.5 cents.

### IM MEDICAL

IM Medical says its net operating cash burn for the three months to September 30, 2009 was \$175,000 with cash at the end of the quarter of \$144,000.

IM Medical was unchanged at 0.3 cents.

### DIA-B TECH. PALLANE MEDICAL

Dia-B, which says it is now Pallane, says its net operating cash burn for the three months to September 30, 2009 was \$111,000 with cash at the end of the quarter of \$86,000.

The company said it had a draw down facility from Fortrend securities for up to \$30 million.

In its full-year accounts June 30, 2009 lodged today the company said under a Dia-B logo that it was "Pallane Medical Limited (formerly Dia-B Tech Limited)" but Biotech Daily has been unable to find a formal announcement of the name change.

Director Peter Stafford said the name was caught between the ASX and the the Australian Securities and Investments Commission.

"As far as ASIC is concerned it is Pallane Medical," Mr Stafford said.

The company said its focus was on diabetes and made no mention of the testing kits being developed by Pallane which were said to be the core of the back door listing at that time (BD: Aug 13, 2009).

Mr Stafford said the company's focus would be defined in the coming months.

Dia-B remains in a suspension and last traded at 1.4 cents, but has had a 20 to one consolidation.

### BONE MEDICAL

Bone says its net operating cash burn for the three months to September 30, 2009 was \$298,882 with cash at the end of the quarter of \$435,152.

Bone fell half a cent or 2.4 percent to 20 cents.

### SOLAGRAN

Solagran says its net operating cash burn for the three months to September 30, 2009 was \$2,063,000 with cash at the end of the quarter of \$3,354,000.

Solagran has appointed David Croll as chief financial officer, effective from October 29, 2009.

Solagran said Mr Croll joined the company on a consulting basis in April this year.

The company said Mr Croll had a Bachelor of Business from Curtin University and qualified as a chartered accountant with Price Waterhouse in 1993.

In the UK Mr Croll was a finance manager for a division of Prudential Financial Services.

He has worked for Salomon Smith Barney (now Citigroup), Hartley Poynton and the Rivkin Group.

Solagran was up one cent or 6.45 percent to 16.5 cents.

## STIRLING PRODUCTS

Stirling says its net operating cash burn for the three months to September 30, 2009 was \$1,083,000 with cash at the end of the quarter of \$398,000.

Stirling announced last week that its share plan raised \$1,600,000.

Stirling was unchanged at 1.2 cents with 6.7 million shares traded.

## ROCKEBY BIOMED

Rockeby emerged from its trading halt to explain that it was liquidating two subsidiary companies with names similar to the group name.

In a media release "to clarify the situation", Rockeby said trading company Rockeby Biomed Singapore Pte Ltd and holding company Rockeby Biomed Corporation Pte Ltd were being liquidated.

Rockeby said the companies were being liquidated "as part of the restructuring of Rockeby Biomed Ltd to enable the new management to provide focus on the product lines, better manage the financial and business affairs in Pepps Pte Ltd and Rockeby Biomed Corporation Singapore Pte Ltd.

Rockeby said the group continued to trade in the same products as previously.

The company said that the Pepp hangover remedy was traded through Pepp Pte Ltd and the diagnostic tests were traded through Rockeby Biomed Corporation Singapore Pte Ltd.

Rockeby said it was pursuing all previously announced marketing, sales and growth plans.

Rockeby fell 0.1 cents or 8.3 percent to 1.1 cents.