



# Biotech Daily

Wednesday September 23, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH EVEN: STARPHARMA UP 16%; VIRALYTICS DOWN 10%**
- \* **PROBIOTEC TO RAISE \$12m; DIRECTORS, MANAGEMENT SELL-DOWN**
- \* **AVIVA INCREASES TO 6% OF MESOBLAST**
- \* **ASIA UNION TAKES 9% OF COGSTATE**
- \* **LIVING CELL APPOINTS BOB FINDER, DAVID MCAULIFFE DIRECTORS**
- \* **FERMISCAN DIRECTOR GARY GARTON RESIGNS**
- \* **HALCYGEN REQUESTS 'SIGNIFICANT ACQUISITION' TRADING HALT**

## MARKET REPORT

The Australian stock market climbed 1.51 percent on Wednesday September 23, 2009 with the S&P ASX 200 up 70.4 points to 4734.1 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and one was untraded.

Starpharma was best, up 7.5 cents or 15.96 percent to 54.5 cents with 855,719 shares traded, followed by Uscom up 14.5 percent to 79 cents with 55,999 shares traded.

Impedimed and Nanosonics climbed eight percent or more; Progen and Tyrian were up more than four percent; Clinuvel and Genetic Technologies were up more than three percent; Cochlear rose 2.3 percent; Biota, Chemgenex, Genera, Optiscan, Peplin and Universal Biosensors were up more than one percent; with Pharmaxis and Sirtex up by less than one percent.

Viralytics led the falls, down 0.3 cents or 10 percent to 2.7 cents with 1.8 million shares traded, followed by Psivida down 8.6 percent to \$5.75.

Tissue Therapies lost 6.98 percent; Cytopia and Phosphagenics fell more than four percent; Antisense and Benitec were down more than three percent; Alchemia, Compumedics and Prana shed more than two percent; Acrux, Bionomics, Circadian and Resmed were down more than one percent; with CSL, Mesoblast and Novogen down by less than one percent.

## PROBIOTEC

Probiotec says it will raise \$12 million through a fully underwritten placement and that the company's directors and senior management will sell-down some of their shares.

Probiotec said it would issue 4.7 million shares at \$2.55 each and the funds would increase the group's balance sheet flexibility allowing it to expand its manufacturing operations to meet increased demand; improve the group's supply chain processes; and take advantage of strategic opportunities that may arise.

Probiotec company secretary Jared Stringer told Biotech Daily that the sell-down of about 1.8 million shares by founders including his father Wayne Stringer was to provide greater liquidity in the company's shares.

Mr Stringer said the company had its initial public offering on the ASX in November 2006 at \$1.00 a share.

In its media release Probiotec said that both the placement and sell down were fully underwritten by Ord Minnett as lead manager and underwriter with Evans and Partners co-manager to the offer.

Probiotec describes itself as a "manufacturer, marketer and distributor of ...a range of prescription and over-the-counter pharmaceuticals, complementary medicines and specialty ingredients".

Probiotec's managing director Wayne Stringer said the capital raising would enable the group "to rationalize its operations whilst at the same time securing the ability of the group to continue to grow and expand".

"The expansion of the group's manufacturing operations will significantly improve its supply chain arrangements and drive a range of efficiencies and cost improvements into our businesses," Mr Stringer said.

Mr Stringer said the group had achieved significant growth in 2008-'09 "and we continue to meet our objectives to broaden the suite of products we own, manufacture and sell". "e are achieving great success in broadening our distributing channels both domestically and internationally as we meet robust demand for our products. The capital raising will allow this expansion to continue," Mr Stringer said.

Probiotec said it would continue to seek overseas expansion opportunities for its portfolio of own-branded and licenced products.

The company said that no new distribution agreements had been agreed, but the funds would put it "in a strong position to capitalize on potential opportunities that may arise".

Probiotec was in a trading halt and last traded at \$2.69.

## MESOBLAST

Aviva Investors Australia has increased its substantial shareholding in Mesoblast from 6,198,261 shares (5.01%) to 8,347,165 shares (6.13%).

Aviva (formerly Portfolio Partners) said the shares were bought in a series of small trades at an average price of 96.1 cents.

Mesoblast fell half a cent or 0.47 percent to \$1.055.

## COGSTATE

Asia Union Investments has increased its substantial shareholding in Cogstate from 4,000,000 shares (6.09%) to 6,000,000 shares (9.14%).

Asia Union said the 2,000,000 shares were bought for \$441,936 or 22.1 cents a share.

Cogstate was up two cents or 8.7 percent to 25 cents.

### LIVING CELL TECHNOLOGIES

Living Cell has appointed Labtech chairman Bob Finder and Neurodiscovery executive director David McAuliffe as independent directors.

Living Cell said Simon O'Loughlin decided to stand down as chairman due to other commitments but would remain a director.

Independent director since 2007 Dr David Brookes has been elected chairman.

Living Cell chief executive officer Dr Paul Tan told Biotech Daily that the death of the company's founder David Collinson had left a vacancy on the board and Mr Finder and Mr McAuliffe were both experienced biotechnology professionals.

Living Cell said that Mr Finder had more than 35 years experience in biotechnology, pharmaceutical and chemical industries.

The company said Mr Finder was a director of National Pharmacies and former chief executive officer of Gropep and after its takeover chief executive officer of Novozymes Gropep, the Australian subsidiary of Novozymes.

Prior to joining Gropep in 2002, he was president and chief operating officer of Mayne Pharma.

Living Cell said Mr McAuliffe had more than 14 years experience in the life sciences. Mr McAuliffe was the founder of Neurodiscovery.

The company said he founded several biotechnology companies in Australia, France and the United Kingdom, many of which have become public companies.

Living Cell was unchanged at 25 cents.

### FERMISCAN

Fermiscan chairman since 2006, Gary Garton has resigned as a director.

Fermiscan recently appointed former Medicines Australia chief executive officer Ian Chalmers and EG Capital founder Mark Fordree as directors (BD Sep 17, 2009).

Fermiscan was unchanged at 6.5 cents.

### HALCYGEN

Halcygen has requested a trading halt pending an announcement "of a potentially significant acquisition ... and associated capital raising".

Trading will resume on September 25, 2009 or on an earlier announcement.

Halcygen last traded at 38 cents.