



Biotech Daily

Tuesday April 13, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PHOSPHAGENICS UP 13%; GENERA DOWN 7%**
- * **HALCYGEN COMPLETES US PHASE II ANTI-FUNGAL TRIAL RECRUITMENT**
- * **PHOSPHAGENICS APPOINTS SOUTHERN CROSS WITH 15m OPTIONS**
- * **LIVING CELL PAPER WINS JOURNAL OF NEURAL ENGINEERING GONG**
- * **HEARTWARE AGM VOTES ON DIRECTORS' STOCK, PAY, ELECTIONS**
- * **MACQUARIE GROUP CEASES SUBSTANTIAL IN IMPEDIMED**
- * **CORRECTION: CATHRX**

MARKET REPORT

The Australian stock market fell 0.66 percent on Tuesday April 13, 2010 with the S&P ASX 200 down 32.7 points to 4951.6 points.

Eleven of the Biotech Daily Top 40 stocks were up, 20 fell, five traded unchanged and four were untraded.

Phosphagenics was best, up 1.5 cents or 13.0 percent to 13 cents with 2.2 million shares traded, followed by Patrys up 11.5 percent to 14.5 cents with 54,000 shares traded.

Cathrx climbed 6.1 percent; Antisense was up 5.9 percent; Optiscan and Prana were up more than three percent; Tissue Therapies rose 2.2 percent; with Biota, Heartware and Mesoblast up more than one percent.

Genera led the falls, down five cents or 7.1 percent to 65 cents with 100,500 shares traded, followed by Benitec down 6.7 percent to 4.2 cents with 89,762 shares traded and Cellmid down 6.45 percent to 2.9 cents with 9.8 million shares traded.

Chemgenex, Genetic Technologies and Impedimed lost more than five percent; Avexa and Bionomics were down more than three percent; Alchemia, Phylogica and QRX shed more than two percent; with Acrux, Living Cell, Sirtex, Starpharma, Universal Biosensors and Viralytics down more than one percent.

HALCYGEN PHARMACEUTICALS

Halcygen has recruited and begun treatment of the last of 175 patients in its US phase II safety and efficacy study of Suba-itraconazole for fungal infected toenails.

Halcygen said the randomized, double blind, multiple-site, placebo-controlled study would compare the efficacy and safety of Suba-itraconazole capsules compared to Sporanox (itraconazole) capsules in the treatment of onychomycosis of the toenail.

The company said that on completion of the daily treatment regimen of 90 days for the last patient, data would be processed with final results being available by December 31, 2010.

Halcygen said the trial was part of its US registration program and the data would be of value in the European registration program underway.

Last month, Halcygen said its UK pharmacokinetic study had shown clinical bioequivalence of a half-dose of Suba-itraconazole with Sporanox BD: March 2, 2010).

Halcygen chief executive officer Dr Roger Aston said the efficacy and safety studies were substantial clinical program with a total of 175 patients.

"The study should provide a good indication on how Suba-itraconazole performs against the market leader Sporanox," he said.

"Halcygen will meet with the FDA after the final results are available to see what further clinical studies maybe required for filing for registration in the US," Dr Aston said.

Halcygen fell one cent or 1.4 percent to 69 cents.

PHOSPHAGENICS

Phosphagenics will grant Southern Cross Equities 15 million options over three years for acting as its corporate advisor.

Phosphagenics said Southern Cross Equities would provide general corporate advice as well as introducing Phosphagenics to investors.

The company said the options were in lieu of any cash, with five million options vesting immediately, with a further five million vesting on April 1, 2011 and April 1, 2012.

Phosphagenics said all options could exercised after vesting but prior to March 31, 2013 at 14.2 cents each.

Phosphagenics said it could terminate the agreement at any time, cancelling any options that have not vested at that time and should its shares trade at or above 50 cents for 20 consecutive business days, all options would vest immediately.

Phosphagenics was up 1.5 cents or 13.0 percent to 13 cents with 2.2 million shares traded.

LIVING CELL TECHNOLOGIES

Living Cell says its publication on the use of encapsulated choroid plexus cells has been named as one of the best articles of 2009 published by the Journal of Neural Engineering.

Living Cell said the Journal has made the article free to read until December 31, 2010 at: <http://iopscience.iop.org/1741-2552/6/6/065001>.

Living Cell said the article entitled 'Encapsulated living choroid plexus cells: potential long-term treatments for central nervous system disease and trauma' was published online in October 2009 and in the December issue of the Journal and showed that long-lasting therapeutic implants of NTCCell might be used to treat brain disease (BD: Jan 20, 2010).

The company said NTCCell comprised encapsulated porcine cells of the choroid plexus of the brain. The cells release growth factors and neurotrophins, which are a range of agents that protect and maintain the health of brain cells.

Living Cell fell half a cent or 1.8 percent to 27.5 cents.

HEARTWARE

Heartware will vote on the issue of shares and options to eight directors, increase total remuneration to \$US750,000 and elect three directors.

Heartware said the meeting would vote on the "grant of 120,000 restricted stock units" to chief executive officer Douglas Godshall, with 1,000 stock units and 1,000 options each to directors Robert Thomas, Dr Seth Harrison, Timothy Barberich, Dr Christine Bennett, Charles Larkin, Robert Stockman and Dr Denis Wade.

The directors seeking re-election are Mr Godshall, Dr Harrison and Mr Stockman.

The meeting will be held at the Boston Harbor Hotel, 70 Rowes Wharf, Atlantic Avenue, Boston, Massachusetts on May 4, 2010 at 4.30pm (US EST).

Heartware was up 1.5 cents or 1.1 percent to \$1.425.

IMPEDIMED

Macquarie Group and its controlled bodies ceased their substantial shareholding in Impedimed on April 9, 2010.

Macquarie Group's then holding of 5,526,400 shares was diluted from 6.67 percent to 5.63 percent in a placement in June 2009.

Today's notice said 390,625 shares were affected by a "corporate action" and a Macquarie Group officer told Biotech Daily the Group was diluted in the recent Impedimed placement (BD: Apr 9, 2010).

Impedimed fell four cents or 5.7 percent to 66 cents.

CORRECTION: CATHRX

Last night's edition reported that Wilson HTM Investment Group reduced its substantial holding in Cathrx from 3,847,766 shares (9.03%) to 5,521,136 shares (7.86%).

In fact, Wilson increased its shareholding by 1,673,370 shares but appears to have been diluted in last year's \$6.9 million capital raising (BD: Jun 19, 2009).

Documents attached to the notice did not make clear the change in holding and Wilson HTM is reviewing the data.

Cathrx has a one-for-one entitlement offer which closes on April 16 (BD: Mar 18, 2010).

Cathrx was up one cent or 6.1 percent to 17.5 cents.