



Biotech Daily

Monday January 25, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: VIRALYTICS UP 12.5%; NOVOGEN DOWN 15%**

- * **FORMER GENETIC TECHNOLOGIES COO PLEADS GUILTY ON SHARES**

- * **ADMINISTRATORS CALL OCCUPATIONAL & MEDICAL MEETING**

- * **TWO MEDICAL DIRECTORS STRENGTHEN SIRTEX US OPERATION**

- * **DR PETER FARRELL, MEL BRIDGES AT INNOVATION SERIES LUNCH**

MARKET REPORT

The Australian stock market fell 0.7 percent on Monday January 25, 2010 with the S&P ASX 200 down 32.7 points to 4717.9 points.

Twelve of the Biotech Daily Top 40 stocks were up, 18 fell, six traded unchanged and four were untraded.

Viralytics was best, up 0.9 cents or 12.5 percent to 8.1 cents with 23.9 million shares traded, followed by Patrys up 8.7 percent to 12.5 cents.

Antisense climbed 5.6 percent; Acrux and Mesoblast were up more than four percent; Phosphagenics was up 3.1 percent; Living Cell and Tissue Therapies rose more than two percent; with Cellestis, Cochlear and Starpharma up more than one percent.

Novogen led the falls, down 10.5 cents or 15.3 percent to 58 cents with 70,323 shares traded, followed by Clinuvel, QRX and Sirtex down six percent or more.

Cellmid lost 5.7 percent; Phylogica fell 4.55 percent; Nanosonics was down 3.1 percent; Benitec, Bionomics, Chemgenex, Compumedics, Optiscan, Prima, Sunshine Heart and Universal Biosensors shed more than two percent; with Genera and Pharmaxis down more than one percent.

GENETIC TECHNOLOGIES

The Australian Securities and Investments Commission says former Genetic Technologies' executive Geoffrey Edgar Newing, has pleaded guilty to market manipulation charges.

ASIC said that the former chief operating officer and son-in-law of major shareholder and former chief executive officer Dr Mervyn Jacobson pleaded guilty to five counts of market manipulation in the Melbourne Magistrates' Court.

ASIC said the charges relate to Mr Newing's involvement in the trading of Genetic Technologies (GTG) shares between May 16, 2006 and August 7, 2006.

Mr Newing was originally charged with 192 counts of market manipulation between May 16 and 27 September, 2006 (BD: Dec 17, 2008).

ASIC alleged that during the period May 16, 2006 to August 7, 2006 Mr Newing took part in transactions involving purchases of more than 2,500,000 GTG shares through a share trading account held in the name of his related company, Palamine Pty Ltd.

ASIC said the transactions "were likely to create or maintain an artificial price for trading in GTG shares".

ASIC said Mr Newing's bail was continued until his plea hearing which was listed in the County Court for February 18, 2010 before Justice Barbara Cotterell.

ASIC's investigation into the alleged market manipulation of Genetic Technologies shares follows a referral from the Australian Securities Exchange.

ASIC said the committal hearing for Mr Newing, Mr Newing's wife Tamara Newing and her father Dr Mervyn Jacobson, was set to commence in the Melbourne Magistrate's Court on February 1, 2010.

ASIC said that following Mr Newing's plea, only the committal of Ms Newing and Dr Jacobson would proceed on that date.

ASIC said Ms Newing and Dr Jacobson were charged with 353 and 319 counts, respectively, of market manipulation in relation to their involvement in trading in Genetic Technologies' shares (BD: Dec 12, 15, 2008)).

ASIC said that in February 2009, two former client advisers were sentenced in the County Court after pleading guilty to market manipulation charges in relation to trading in Genetic Technologies shares.

ASIC said Rocco Musumeci a former client adviser with Bell Potter in Wollongong New South Wales was sentenced to seven months imprisonment fully suspended and Richard John Wade a former client adviser with ABN Amro in Melbourne, Victoria was sentenced to 15 months imprisonment fully suspended.

Genetic Technologies was unchanged at 4.5 cents.

OCCUPATIONAL & MEDICAL INNOVATIONS

SV Partners the joint and several voluntary administrators of Occupational & Medical has called a meeting of the top 20 shareholders to discuss the US legal action and finances. The administrators said the jury decision of December 18, 2009 awarded damages of about \$3.8 million with judgment expected on or before March 3, 2010.

SV Partners said there were alternative legal steps available but they were costly.

SV Partners said Cardinal Health owed Occupational & Medical \$US581, 750 but was awaiting legal clearance relating to the court case.

The administrators said the company's assets would be advertised for sale with expressions of interest closing on February 19, 2010.

SV Partners said the meeting would be held on February 3, 2010 at 4pm at its Brisbane office at 138 Mary Street, Brisbane.

SIRTEX MEDICAL

Sirtex has appointed Dr David Liu and Dr Andrew Kennedy as co-medical directors of its US subsidiary Sirtex Medical Inc.

Sirtex recently appointed Michael Mangano as president of the US company, responsible for increasing US sales of its SIR-Spheres liver cancer therapy (BD: Dec 22, 2009).

In a media release to the ASX after the market closed on January 22, 2010, Sirtex said Dr Liu was "a world leader in interventional oncology which uses radiology techniques in the treatment of cancers".

The company said Dr Liu had extensive experience in the treatment of liver cancer and use of Sirtex's lead product, SIR-Spheres microspheres.

Sirtex said Dr Kennedy "pioneered the use of SIR-Spheres microspheres for the treatment of liver cancer in the US and is globally renowned for his research and scientific publications in this field".

Sirtex chief executive officer Gilman Wong said the appointments would "accelerate our business growth in the US" extend its presence in the international medical community.

The company said Dr Liu was an interventional radiologist and assistant clinical professor at the Faculty of Medicine at the University of British Columbia in Vancouver and the UCLA Medical Center in Los Angeles.

Sirtex said Dr Liu had published "numerous papers on ... interventional radiology and oncology and is an active researcher and collaborator on a diverse range of clinical trials".

Sirtex said Dr Kennedy was a radiation oncologist and co-medical director of Wake Radiology Oncology in Cary, North Carolina.

Sirtex fell 46 cents or 6.7 percent to \$6.37.

INNOVATION SERIES

Private technology services management company Zernike Australia says Resmed's Dr Peter Farrell and biotech director and investor Mel Bridges will speak at the first Innovation Series lunch for 2010 in Sydney on February 17.

Zernike said it specialized in technology park, function centre and business events management as well as fundraising, technology transfer and export connections.

The company said Dr Farrell and Mr Bridges were "both at the helm of world-leading companies, have been named Australian Entrepreneur of the Year in the last decade, and will be sharing their combined 60 years of experience in the life sciences sector with the audience".

Zernike said Dr Farrell was the founder and chairman of Resmed and chair and director for a number of boards including Harvard Medical School and the University of California.

Zernike said Mr Bridges was "a serial entrepreneur having founded five successful technology companies, raising more than \$300 million in investment capital and helping many other businesses negotiate commercial deals".

The company said Mr Bridges was the chairman of Alchemia, Impedimed and Incitive and was a director of Benetic and Genera.

The lunch will be held at Sydney's Westin Hotel, 1 Martin Place, Sydney on February 17, 2010 from 12.30pm to 2:30pm and will cost \$160.

For further information call 1300 368 379 or visit www.innovationseries.com.au.