



Biotech Daily

Tuesday March 9, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: GENETIC TECHNO UP 15%; OPTISCAN DOWN 7%**
- * **GIACONDA, AMTI CHANGE ASSET, SHARE DEALS**
- * **JM FINANCIAL REDUCES 1% IN HALCYGEN**
- * **GBS REDUCES 2.7% IN COGSTATE**
- * **TISSUE THERAPIES DIRECTOR, EXECUTIVE OPTION PLAN**

MARKET REPORT

The Australian stock market climbed 0.25 percent on Tuesday March 9, 2010 with the S&P ASX 200 up 12.2 points to 4820.1 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and three were untraded. All three Big Caps climbed by less than one percent.

Genetic Technologies was best, up half a cent or 14.7 percent to 3.9 cents with 90,000 shares traded, followed by Circadian 12.7 percent to 62 cents with 68,076 shares traded and Impedimed up 10 percent to 88 cents with 152,141 shares traded.

Prana climbed 6.7 percent; LBT, Sirtex and Viralytics were up more than five percent; Bionomics and Nanosonics were up more than four percent; Living Cell and Prima were up more than three percent; Acrux and Tissue Therapies rose more than two percent; with Chemgenex up 1.45 percent.

Optiscan led the falls, down 0.6 cents or 7.4 percent to 7.5 cents with 15,400 shares traded.

Cellmid and Compumedics lost more than six percent; QRX was down 5.95 percent; Avexa and Phylogica fell more than four percent; Alchemia and Patrys were down more than three percent; Psivida, Starpharma and Universal Biosensors shed more than two percent; with Clinuvel down 1.9 percent.

GIACONDA

Giaconda and Australian Medical Therapy Investments have agreed to vary the terms of the asset purchase agreement and the share subscription agreement (BD: Feb 18, 2010). Giaconda said the asset purchase agreement was for the sale of the Myoconda intellectual property to AMTI for \$1,500,000 plus five percent of the net sales earned by AMTI from a commercialized treatment.

The company said the share subscription agreement was for the issue of 17.6 million shares to AMTI at three cents per share.

On March 2, 2010 in a notice to the ASX entitled 'Appendix 3B – Further revisions', Giaconda said that "following consultation with the ASX the company has decided to cancel that issue as the terms of the resolution approved by shareholders at the annual general meeting held on November 23, 2009 does not permit the issue of ordinary shares on a partly paid basis".

"The proposed cancellation of the 17,600,000 shares issued to AMTI will be put to Giaconda shareholders at the next general meeting for approval in accordance with the Corporations Act and ASX Listing Rules," Giaconda said.

"In the meantime those shares are not capable of being traded by AMTI as they are not quoted on the ASX," the company said on March 2, 2010.

Today, Giaconda said it had agreed with AMTI to amend the share subscription agreement and asset purchase agreement.

Giaconda said the share agreement was amended to permit AMTI to subscribe for a new issue of 17.6 million ordinary shares at 6.25 cents a shares subject to shareholder approval.

The asset purchase agreement has been amended to reduce the sale price of the Myoconda intellectual property to \$928,000 (excluding GST) plus five percent of the net sales earned by AMTI from a commercialized treatment.

Giaconda said the amendments would not affect the overall \$2,028,000 amount which AMTI had originally agreed to pay.

Giaconda originally hoped to raise up to \$40 million from the placement of 100,000,000 shares at 40 cents a share to Australian Medical Therapy Investments in a series of tranches (BD: Jul 18, 2008).

But a few days later the Family Court, responding to a claim from Prof Borody's former wife, ordered that Giaconda 69 percent shareholder Prof Tom Borody be restrained from dealing with, transferring or encumbering his shares in Giaconda including entering a restriction agreement without the applicant's consent or order of the court; and the restriction agreement between Prof Borody, Giaconda and Australian Medical Therapy Investments be set aside (BD: Jul 22, 2008).

Australian Medical Therapy Investments is a private investment company whose managing director is former Giaconda lawyer Colin Goldrick.

Giaconda was untraded at five cents.

HALCYGEN

JM Financial Group has reduced its substantial holding in Halcygen from 9,621,609 shares (6.68%) to 8,105,896 shares (5.63%).

In November 2009, JM Financial increased in Halcygen from 7,194,217 shares (5.0%) to 9,621,608 shares (6.68%) (BD: Nov 9, 2009).

The Melbourne-based group manages shares "held in client discretionary investment accounts" with Sandhurst Trustees the registered holder.

Halcygen fell half a cent or 0.8 percent to 60.5 cents.

COGSTATE

GBS Venture Partners as trustee for the Australian Bioscience Trust has reduced its holding in Cogstate from 8,306,850 shares (13.92%) to 7,470,868 shares (11.23%). Cogstate was untraded at 29 cents.

TISSUE THERAPIES

Pending shareholder approval Tissue Therapies will issue 2,000,000 options to key staff and directors.

Tissue Therapies said it proposed to give 250,000 options to each of directors Mel Bridges, Dr Cherrell Hirst and chief executive officer Dr Steven Mercer.

The company said the 1,250,000 options proposed to be issued to other staff were not subject to approval.

Tissue Therapies said that key performance indicators, including commencement of clinical trials in Canada and completion of trials in Perth, necessary for the vesting of 100,000 options issued to Dr Mercer, approved at a general meeting in 2008 had been satisfied.

The company said the issue of options to Dr Mercer, the two directors and key staff including Prof Zee Upton was “consistent with industry practice and in particular is commensurate with companies of a similar nature to Tissue Therapies”.

The company said the options were intended to provide a long-term incentive and were “a prudent measure to allow the company to maximize its cash resources and focus these resources towards its research, development and commercialization programs”.

Tissue Therapies said the options would be issued free of charge, but had an exercise price of 26 cents, calculated as a 15 percent premium above the 10-day, value-weighted, average price up to and including March 3, 2010 of being 22.58 cents per share.

The options vest 12 months from the date of issue and lapse on March 31, 2012.

Tissue Therapies was up half a cent or 2.6 percent to 19.5 cents.