



Biotech Daily

Monday September 14, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: GENETIC TECHNO UP 18%; VIRALYTICS DOWN 11%**
- * **SMALLER BIOTECHS POST \$68.2m PROFIT ON \$464m REVENUE**
- * **NORWOOD ABBEY BECOMES A CHINESE COAL COMPANY**
- * **GRIFFINS TAKE 6.2% OF FLUOROTECHNICS**

MARKET REPORT

The Australian stock market fell 1.41 percent on Monday September 14, 2009 with the S&P ASX 200 down 65.0 points to 4531.1 points.

Nine of the Biotech Daily Top 40 stocks were up, 19 fell, nine traded unchanged and three were untraded.

Genetic Technologies was best, climbing 0.9 cents or 18.0 percent to 5.9 cents with 13 shares traded, followed by Acrux up 11.5 cents or 7.6 percent to \$1.63 with 703,762 shares traded.

Sirtex climbed 6.7 percent; Progen was up 4.2 percent; Biota and Peplin rose more than two percent; with Heartware up 1.1 percent.

Viralitics led the falls, down 0.3 cents or 10.7 percent to 2.5 cents with 1.2 million shares traded, followed by Living Cell down 1.5 cents or 8.6 percent to 16 cents.

Bionomics and Cytopia lost more than seven percent; Avexa, Benitec, Chemgenex, Phosphagenics, Prana and Universal Biosensors fell four percent or more; Alchemia, Impedimed, Mesoblast and Sunshine Heart were down more than three percent; Antisense, Nanosonics and Pharmaxis shed more than two percent; with CSL, Novogen, Psivida and Resmed down by more than one percent.

BIOTECH PROFITS. REVENUES

Biotechnology companies, not including Cochlear, CSL and Resmed have posted a collective \$68.2 million profit for the year to June 30, 2009 on revenue of \$464.3 million.

Biotech Daily collated the data from the most recent reporting round selecting companies with significant revenues from product sales.

Including the Big Caps of Cochlear, CSL and Resmed, the sector posted a collective profit of \$1,519.2 million on revenue of \$7,296.5 million.

CSL was the big earner posting a net profit after tax of \$1,145.9 million on revenue of \$5,039.4 million, followed by Resmed's NPAT of \$174.6 million (revenue \$1,098.05) and Cochlear's NPAT of \$130.5 million (revenue \$694.7 million).

While Pharmaxis posted revenue of \$6.465 million, most of that came from interest on bank deposits.

Biota reported the fourth greatest profit after the Big Caps of \$38.2 million on revenue of \$83.3 million, while over-the-counter additives, supplements and slimming products manufacturer Probiotec had lower profits on revenue of \$87.1 million.

Biotech Daily did not collate a similar table for the previous year, so there is no direct comparison but with four companies reporting maiden profits and many posting significant revenue growth it is clear that the sector is maturing.

We hope to see many more join these ranks next year.

Biotechnology companies by profits to June 30, 2009

Company	Profit/loss \$Am	% move	Revenue \$Am	% move
CSL	\$1,145.90	63	\$5,039.40	32
Resmed	\$174.6	33	\$1,098.05	10
Cochlear	\$130.5	13	\$694.70	15
Biota	\$38.20	t/around	\$83.30	85
Sirtex	\$18.23	1406.5	\$73.89	87.6
Unilife	\$12.81	t/around	\$40.40	869
Probiotec	\$8.90	41.1	\$87.10	31.9
Cellestis	\$8.23	391	\$35.24	80
IDT	\$6.40	-10	\$26.70	-15
Brain Resource	\$4.20	maiden	\$7.36	65
Cogstate	\$1.40	maiden	\$8.60	120
Medical Develop	\$0.81	-9.1	\$8.73	-5.3
Imugene	\$0.65	maiden	\$3.25	696.6
Resonance	\$0.62	maiden	\$2.39	27
Labtech	\$0.34	-385	\$2.22	-2.5
Pharmaust	-\$0.18	-97	\$3.73	25
Advanced Surgical	-\$1.02	t/around	\$6.41	-9.7
Atcor	-\$1.70	-58.8	\$11.50	67
Uscom	-\$1.92	-49.4	\$1.92	53
Avita	-\$5.13	-58	\$3.27	67
Ellex	-\$22.60	t/around	\$58.30	15.8
Totals	\$1,519.24		\$7,296.46	

NORWOOD ABBEY

Norwood Abbey says it has a binding letter of intent with Sino-Excel Petroleum Holdings and Debang Resources to acquire 100 percent of Sino-Excel.

Norwood Abbey chairman Ron Lewis told Biotech Daily the move was effectively a back-door listing with the resultant entity a China-based \$90 million Australian-listed company.

Mr Lewis said that Norwood's biotechnology investments including a 20 to 30 percent stake in Norwood Immunology would be passive investments and eventually divested.

In a media release to the ASX, Norwood Abbey said Sino Excel owned 100 percent of Debang which would hold management rights over an established and significant coal trading operation in Henan Province in the Peoples' Republic of China.

The company said Debang would also hold an option to acquire three significant coal concessions in Henan Province.

Norwood said the transaction value would be \$90 million and it would issue shares to Sino-Excel shareholders, based on a transaction price of 1.7 cents per Norwood share.

The payment will be made in three tranches based on performance with 50 percent on completion, 35 percent at the end of the first year and 15 percent at the end of the second year, with the latter tranches linked to earnings targets.

Norwood said that because the changes were a new business activity, the company's shares would be consolidated to a minimum 20 cents value.

On completion of due diligence, a prospectus will be circulated and an extraordinary general meeting held.

Norwood said that following the transaction, Sino-Excel intended a major fund-raising through a Hong Kong group to further expand the coal trading operation and expand mining on the coal concessions under option.

Sino-Excel has agreed to fund certain due diligence and other costs, subject to Norwood settling certain remaining creditors.

Norwood said the change in activities was in the best interests of shareholders and the company had considered more than 20 merger opportunities in the past year.

Decisions in relation to the company's existing assets and the composition of board and management will be addressed in the definitive agreement.

Sino-Excel has a right to appoint two directors immediately, but Mr Lewis told Biotech Daily that he had been invited to remain as a director of the new entity.

Norwood is suspended and last traded at 0.6 cents.

FLUOROTECHNICS

Deborah and Edward Griffin have become substantial shareholders in Fluorotechnics with a total holding of 1,878,970 shares or 6.197 percent of Progen, respectively.

In separate overlapping notices Deborah Griffin said she held 1,608,346 shares or 5.3 percent and Edward Griffin said he held 1,877,240 shares or 6.19 percent.

Fluorotechnics chief executive officer James Walker told Biotech Daily the Griffins were long-term supporters in the company.

Fluorotechnics fell 3.5 cents or 8.05 percent to 40 cents.