



# Biotech Daily

Tuesday December 14, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH DOWN:  
- SUNSHINE HEART UP 26%; ANTISENSE DOWN 10%**
- \* **HEARTWARE DETAILS \$144m NOTES RAISING; SHARE SALES**
- \* **CBIO PLACES \$4.22m SHORTFALL SHARES**
- \* **PATRY'S SHARE PLAN RAISES \$505k**
- \* **CHAIRMAN BILL MOBBS TAKES 18.5% OF ITL**
- \* **SOLAGRAN REQUESTS CAPITAL RAISING TRADING HALT**
- \* **STIRLING HOPES TO RAISE UP TO \$6m**

## MARKET REPORT

The Australian stock market edged up 0.21 percent on Tuesday December 14, 2010 with the S&P ASX 200 up 9.8 points to 4766.9 points.

Ten of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and seven were untraded.

Sunshine Heart was best, up 0.8 cents or 25.8 percent to 3.9 cents with 1.4 million shares traded, followed by Cathrx up 18.6 percent to 25.5 cents with 49,700 shares traded.

Psivida climbed 4.7 percent; QRX was up 3.6 percent; Tissue Therapies rose 2.1 percent; with Alchemia, Optiscan and Starpharma up more than one percent.

Antisense led the falls, down 0.1 cents or 12.5 percent to 0.7 cents with 4.7 million shares traded, followed by Prana down 10.7 percent to 12.5 cents with 291,866 shares traded.

Cellmid lost 7.7 percent; Living Cell and Mesoblast fell more than five percent; Impedimed, Phosphagenics and Universal Biosensors were down four percent or more; Heartware and Pharmaxis shed more than two percent; with Clinuvel, Nanosonics and Patrys down more than one percent.

## HEARTWARE INTERNATIONAL

Heartware says it hopes to raise up to \$US143,750,000 (\$A144,344,000) through the issue of convertible notes and Apple Tree will sell one million shares at \$81.31 each. Last week Heartware announce the deal and today clarified details (BD: Dec 10, 2010). Heartware said last week that existing shareholder Apple Tree Partners LP, intended to offer, subject to market and other conditions, 1,000,000 shares of common stock and would grant the underwriters an option to purchase up to 150,000 additional shares to cover over-allotments, if any.

Biotech Daily reported at that time that the shares closed at \$2.35 and Apple Tree would raise a further \$2,702,500.

Today's announcement makes clear that the shares of common stock are in US prices and will be sold at \$US81.31 each, thereby raising \$US81,310,000 for Apple Tree.

Today's notice also said Apple Tree was offering 900,000 shares with 100,000 shares available for over-allotments, if any.

Heartware said the initial conversion rate for the convertible notes would be 10.0 shares per \$US1,000 in notes or an initial conversion price of \$US100 per note, a premium of 23 percent over the December 9, 2010 closing price of \$US81.31 and the notes carried an interest rate of 3.5 percent per annum and would mature on December 15, 2017.

Heartware fell five cents or two percent to \$2.40.

## CBIO

CBio says that Adelaide stockbroker Baker Young has placed the remaining shortfall shares raising \$4.22 million and completing the company's \$9.3 million capital raising. Last month CBio said it raised \$5.08 million of the hoped for \$9.3 million in its five-for-seven rights issue at 16 cents a share (BD: Nov 2, 2010).

Cbio fell one cent or 4.8 percent to 20 cents.

## PATRY'S

Patrys says its share plan raised \$505,400 through the issue of 5,054,000 shares at 10 cents a share.

Patrys said that along with the proceeds of its November placement, the company had raised a total of \$4.3 million (BD: Nov 17, 18, 2010).

Patrys fell 0.1 cents or one percent to 9.7 cents.

## ITL

Executive chairman Bill Mobbs has increased his substantial shareholding in ITL from 23,822,319 shares (18.096%) to 24,322,319 shares (18.476%).

Mr Mobbs was appointed executive chairman in October (BD: Oct 18, 2010).

The company has recently seen changes in its board and management, including strong dissent at its annual general meeting with shareholders preventing the election of Dr Jagmohambir Singh Dillon as a director (BD: Nov 29, 2010).

Four Hats Capital director Dr Mike Hirshorn resigned as a director of ITL prior to the major changes (BD Aug 11, 2010).

In his substantial shareholder notice today, Mr Mobbs said the 500,000 shares were acquired for \$22,500 or an average price of 4.5 cents a share.

ITL was unchanged at 5.6 cents.

### SOLAGRAN

Solagran has requested a trading halt pending an announcement relating to the completion of a capital raising.

Trading will resume on December 16, 2010 or on an earlier announcement.

Solagran last traded at 13.5 cents.

### STIRLING PRODUCTS

Stirling has emerged from its trading halt to confirm its previously announced intention to raise up to \$6 million.

In its announcement to the ASX, Stirling said it would have a placement and a rights issue.

The company said Novus Capital had been appointed lead broker, sponsoring broker and financial adviser.

Stirling said “the funding now in process is required to predominantly fund the company’s continued commitment to its establishment as a cash flow driven company and to provide for the manufacture of finished goods, inventory and receivables”.

Stirling provided no details of the capital raising.

Stirling was unchanged at 0.7 cents.