



HD (FE) Around the Traps ... with THE FERRET

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There has been a stream of IPOs in recent months - some good and others where investors have lost money.

SEALINK TRAVEL GROUP (ASX:SLK) has been one of the good ones.

Investors who were able to get shares in the float at \$1.10 are now sitting pretty with a share price yesterday of \$1.585.

The **company** has not been sitting in dock since listing last year, but sailing faster than the **wind**, collecting new acquisitions.

This month it announced the **acquisition** of another vessel to boost its Sydney Harbour **operations** and fulfil new ferry contracts.

The latest **purchase**, for \$3.06 **million**, follows contract wins by SeaLink's wholly-owned business, Captain Cook Cruises.

The contracts include transporting convention attendees to the recently opened temporary facilities at Glebe Island (a three-year agreement), passenger transfers for the Biennale of Sydney art festival and ferry charters for Harbour City Ferries (Sydney Ferries).

The luxury 24m fast vessel, the Freedom Sovereign, has been built to high specifications with the capacity to carry 200 passengers, though SeaLink is modifying it to accommodate up to 250.

Managing director Jeff Ellison said, "the modern luxury vessel is the latest addition to our expanding fleet and adds to the recently delivered vessel, Elizabeth Cook, which was christened in Sydney Harbour in November.

"Two additional vessels currently under construction in Hobart are due for delivery to Sydney in May and June this year."

SeaLink's Sydney fleet will climb to 14 vessels once all the new vessels are delivered.

The exultant initial response to the JB HI-FI (ASX:JBH) announcement on Tuesday appeared a bit of an overreaction.

But, gee, we didn't know it was THAT much of an overreaction.

The shares jumped \$2.02 to \$20.31 in the initial rush.

They closed well off the top at \$19.19 on Tuesday.

Yesterday the shares fell 94c to \$18.25.

That means the **company**'s stock is now a net loser on the back of the "good news".

The trading update sought to reassure investors that sales would be up 6.8pc to \$1.94 **billion** and net profit up 10pc to \$90.3 **million** in the first half.

The **company** maintained its full-year sales guidance of growth in total sales of between 6pc and 8pc.

The New Year has been a roller-coaster for CLINUVEL PHARMACEUTICALS (ASX:CUV) shares.

They ended 2013 at 95c, made the ascent to \$1.65 on January 17 and have been unable to maintain that price.

Yesterday's 17c rise to \$1.47 made Clinuvel one of the day's biggest winners but it was only recovering some of the 30c lost over the previous three sessions.

The **company** hasn't made a major announcement for a while, though it did release a letter to shareholders on January 8.

In the letter managing director Philippe Wolgen said, "With much excitement our teams and all who are interested in Clinuvel are awaiting the outcome of the European Medicines Agency's (EMA) review of SCENESSE (afamelanotide 16mg implant) for erythropoietic protoporphyria (EPP) in this coming year.

"This process has taken longer than any of us could have anticipated; however, we welcome the agency's tenacity to ensure the drug is given proper evaluation and patients and physicians are given the opportunity to be heard."

Mr Wolgen also said, "As to vitiligo, it has been apparent from the results in 2013 that the greatest need to treat is identified in patients of darker complexion (Fitzpatrick skin types IV-VI) where the disease is most visible, often very aggressive and has the greatest impact on patient quality of life.

"In line with these findings we are looking forward to starting the seven-month trial in Singapore (CUV103), the first Asian trial conducted by Clinuvel."

Elsewhere in the biotech sector, CELLMID (ASX:CDY) has a string of divisions including therapeutic, diagnostic and cosmeceutical, the last which makes products to treat loss of hair and restoration.

The shares yesterday rose 0.3c to 3.2c but it will make a motza if its hair products are successful.

The **company** has just signed a distribution agreement for hair loss treatments to be marketed in **China**.

The agreement signed with a Beijing-based **company** should see Cellmid's products sold from February, with three-year exclusivity being subject to minimum performance.

Cellmid has positioned Lexilis Black (for men) and Jo-Ju (for women) as key brands among products that include health supplements and selected cosmetics.

Ordinarily, companies importing healthcare and cosmetic goods to **China** face significant hurdles and often take several years for sales permits to be issued.

Cellmid has been able to achieve rapid market access due to its **acquisition** of Advangen Inc (Japan) in May 2013, which had **Chinese** import permits for Lexilis and Jo-Ju already in place.

In selecting Beijing Huana Likang Biotechnology, Cellmid has found a partner with strong growth potential and a dedicated sales force for its FGF-5 inhibitor brands.

Costs associated with marketing and sales will be met solely by the distributor.

It is conservatively estimated that the premium **Chinese** hair growth market exceeds \$3 **billion**, assuming that around 5 **million** people, or 0.37pc of the total population, are or will be using hair growth enhancing lotions and shampoos.

Australian-based **iron ore** developer KOGI **IRON** (ASX:KFE) and its 100pc-owned Nigerian operating **company**, KCM **Mining**, have reported a positive and robust outcome on the preliminary feasibility study for the Agbaja **Iron Ore** Project in Kogi State, Nigeria.

Yesterday Kogi shares gained 0.5c to 10.5c

Managing director Iggy Tan said, "the PFS has been completed two months ahead of schedule, which is testament to the hard work put in by the high-quality team involved.

"The highly positive results of the study determined that the development and operation of a mine and processing plant at Agbaja to produce 5Mtpa of **iron ore** concentrate is technically feasible, economically viable and socially and environmentally acceptable."

The board has given the green light for a definitive feasibility study (DFS) as a precursor to a decision to mine at Agbaja.

This DFS is expected to be completed by end of Q4 2014.

SUBZERO GROUP (ASX:SZG) has not traded at anything other than 11c for 13 days.

That record will be tested today by the market update after the close last night.

The Hunter Valley **mining** services group said that it expected sales revenue for the half-year ended December 31 to be in the range \$35m to \$38m and EBITDA to be in the range \$1.75m to \$1.9m.

It noted this level of performance was about 10pc lower than market expectations and was hit by lower-than-expected volumes in November and December.

Based upon first-half results and a comprehensive internal and external review of forward sales, it is expected that sales revenue for the full year will be in the \$90m to \$105m range with EBITDA in the \$10m to \$14m range.

It looks even better further down the track.

Based on the run rate expected in the second half, SubZero continues to expect FY15 revenue to be \$150-175m and EBITDA \$24-28m.

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