



Biotech Daily

Tuesday February 1, 2011

Daily news on ASX-listed biotechnology companies

- * **JANUARY BDI-40 UP 8%; ASX200 FLAT:**
 - **GENETIC TECHNOLOGIES UP 223%; OPTISCAN DOWN 30%**
- * **ASX FLAT, BIOTECH UP: SUNSHINE UP 11%; ADVANCED SURGICAL DOWN 20%**
- * **PRIMA CVAC 'SAFE' IN FIRST 7 PHASE IIB OVARIAN CANCER PATIENTS**
- * **BIOTA EARNS FIRST \$1m ROYALTY FROM \$34m SALES**
- * **LIFESCAN, UNIVERSAL BIOSENSORS' VERIO ITALY, FRANCE LAUNCH**
- * **ISIS TAKES VERVA'S FIBROBLAST GROWTH FACTOR RECEPTOR**
- * **EASTLAND HAS ONE QUARTER CASH, LOAN FACILITY**
- * **GIACONDA, PHARMAUST HAVE LESS THAN ONE QUARTER CASH**
- * **SOLAGRAN HAS LESS THAN TWO QUARTERS CASH**
- * **STIRLING HAS LESS THAN ONE QUARTER CASH; CREDIT FACILITY**
- * **SUNSHINE HEART APPOINTS PAUL BUCKMAN DIRECTOR**
- * **CLINUVEL APPOINTS ELIE ISHAG DIRECTOR**
- * **ALCHEMIA LOSES CFO DAVID GREEN; STEPHEN DENARO NEW CO SEC**

MARKET REPORT

The Australian stock market was flat on Tuesday February 1, 2011 with the S&P ASX 200 down 1.8 points to 4752.1 points. Eighteen of the Biotech Daily Top 40 stocks were up, eight fell, eight traded unchanged and six were untraded. All three Big Caps fell.

Sunshine Heart was the best, up 0.4 cents or 11.4 percent to 3.9 cents, with 683,892 shares traded. Immuron climbed 10.4 percent; Benitec was up 7.7 percent; Cellectis and Prima were up more than four percent; Phosphagenics and QRX were up more than three percent; Chemgenex, Pharmaxis, Phylogica, Psivida and Sirtex rose two percent or more; with LBT, Nanosonics and Universal Biosensors up more than one percent.

Advanced Surgical led the falls, down 20 percent to 28 cents, with 3,000 shares traded, followed by Cathrx and Genetic Technologies down more than four percent; Alchemia and Prana were both down 3.6 percent; Heartware and Tissue Therapies shed more than two percent; with CSL and Resmed down more than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) continues to dramatically outperform the S&P ASX200 up 8.0 percent in January compared to the benchmark index up 0.2 percent.

For the second month in a row the index has had its y-axis increased by 1000 units to cope with the increase in aggregate market capitalization, now \$7,063 million. The BDI-40 does not include the three Big Caps of Cochlear, CSL and Resmed.

For the year to January 31, the BDI-40 was up 40.6 percent, compared to the ASX200 up 4.0 percent. The BDI-40 has doubled in value in the 19 months since June 30, 2009.

The three Big Caps were up 13.3 percent for the year, but fell 0.6 percent in January with Resmed down 8.3 percent to \$4,852 million, despite record half year revenue and profit results, Cochlear slipping 4.1 percent and CSL up 2.2 percent for the month.

Twenty-two BDI-40 companies were up in January, 14 fell and four were unchanged.

Genetic Technologies was the best, up 223.1 percent for the month to a market capitalization of \$42 million, while Mesoblast added \$280 million up 23.7 percent to \$1,460 million and Heartware climbed 14.15 percent or \$167 million to \$1,347 million.

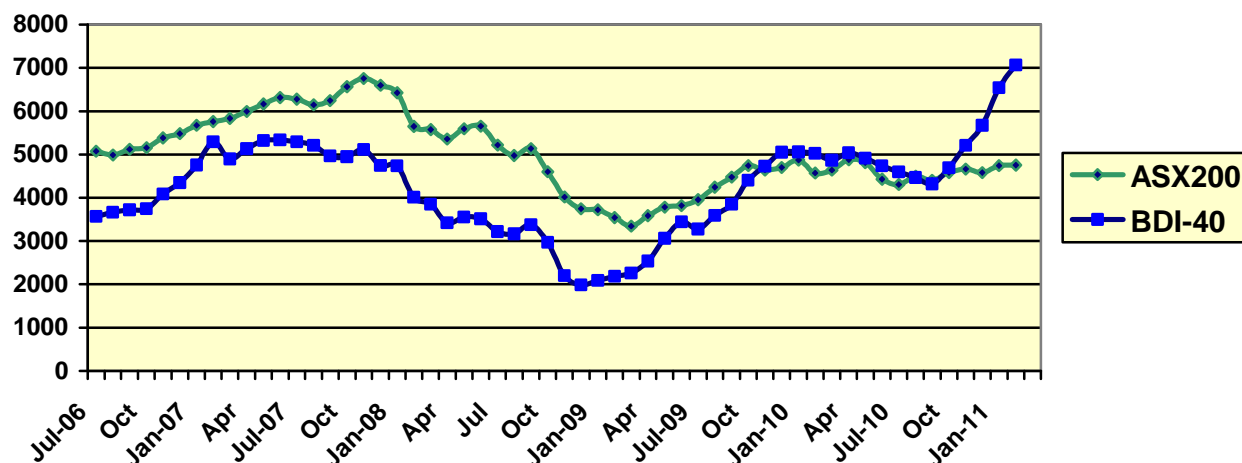
In percentage terms Benitec was second best, up 66.6 percent to \$20 million, followed by Prima (39.4%), LBT and Uscom (33.3%), Biota (29.05%) and Phylogica (22.2%).

Optiscan fell the furthest in January, down \$3 million or 30 percent to \$7 million, followed by Compumedics down 22.6 percent to \$24 million, Cathrx (15%) and Pharmaxis (11.0%).

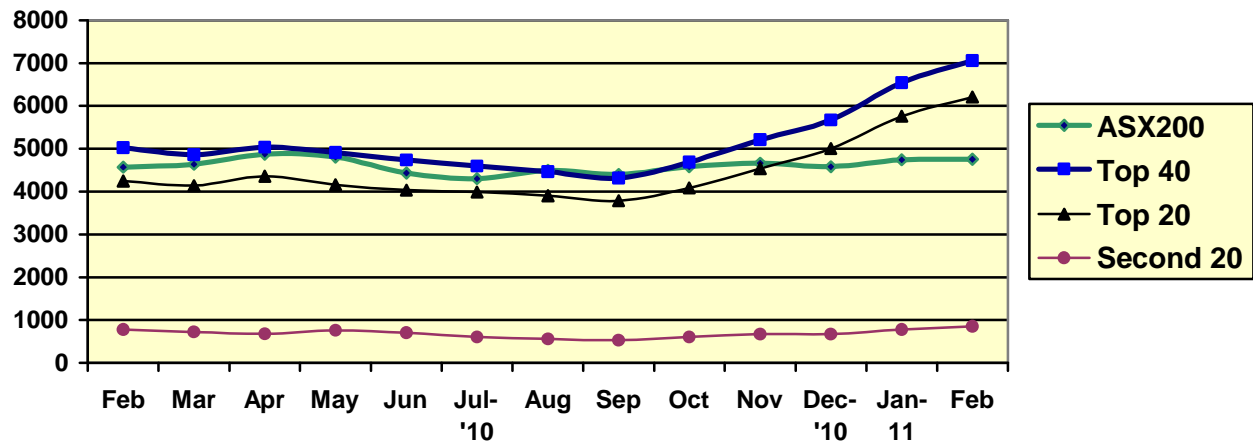
Biotech companies raised \$36,022 million in January of which Bioniche contributed \$30 million and a further \$6.76 million was raised in late December after Biotech Daily closed for the Summer holiday break.

The chart below shows the BDI-40 up 100 percent since July 2009 and more than 250 percent since December 2008, with five months of rapid growth beyond the ASX200.

BDI-40 v ASX200 Jul 1, 2006 to Jan 31, 2011



BDI-40 v ASX200 Jan 31, 2010 to Jan 31, 2011



PRIMA BIOMED

Prima says the first seven patients in its phase IIb trial of CVac for ovarian cancer vaccine have been treated with no safety data concerns cited by the data safety monitoring board. Prima said the seven patients in the open label cohort had one injection of the CVac immunotherapy and had been monitored for at least 28 days to assess any treatment-related adverse effects.

The company said there were no therapy-related adverse effects and the data safety monitoring board confirmed the trial was safe to proceed and patient enrollment of a further 54 patients into the randomized component of the trial would begin at five sites in Australia and 15 sites in the US.

Prima said completion of the first patient group was “a significant achievement”.

CVac was last used in a clinical trial in 2006 with four of 21 assessed cancer patients receiving some benefit from the drug (BD: Dec 12, 2006; Mar 14, 2007).

Prima said at that time that it exceeded its primary objective of reducing or stabilizing the blood marker for cancer CA125 in at least 15 percent of patients

In terms of disease progression-free survival and safety, Prima said in 2007 that two patients, whose life expectancy was about six months at the start of the trial, continued receiving Cvac treatment after the trial concluded.

Prima managing director Martin Rogers said the company was “delighted to complete the first cohort of CVac treatment in the initial patient group in the phase IIb trial”.

“Importantly, no safety concerns were raised by the data safety monitoring board and the patient group has experienced no adverse effects from the treatment,” Mr Rogers said.

Prima was up one cent or 4.35 percent to 24 cents with 29.1 million shares traded.

BIOTA

Biota says Daiichi Sankyo's Inavir sales were YEN2.8 billion (\$A34,119,600) from the October 19, 2010 launch to 31 December 2010, with \$1.16 million expected in royalties. Biota said the funds were expected by the end of February 2011.

The company said Inavir was the first drug of a new class of long acting neuraminidase inhibitors to address the limitation of the current products, which require daily or more frequent dosing (BD: Oct 19, 2010).

Biota said Inavir was Daiichi Sankyo's registered brand for laninamivir octanoate, previously known as CS-8958.

Biota was up half a cent or 0.4 percent to \$1.28.

UNIVERSAL BIOSENSORS

Universal Biosensors says Johnson & Johnson's Lifescan has launched the Onetouch Verio blood-glucose meter in France and Italy.

Universal Biosensors said the Onetouch Verio incorporated technology it developed for the rapidly growing self monitoring blood-glucose market.

Executive chairman, Andy Denver said Lifescan's launch of the Onetouch Verio was "another significant milestone" for the company.

There will be no further milestone payments or royalties, but Universal Biosensors receives payments both for the manufacture and use of the meter's testing strips.

"Lifescan's continued roll out of Onetouch Verio across Europe has been widely anticipated and follows the successful launch of the device in the Netherlands in January 2010 and in Australia in September 2010," Mr Denver said.

Universal Biosensors quoted Globaldata reports that the market for the device in France was estimated to reach \$800 million in 2015 and in Italy was estimated to reach \$780 million in 2015.

The company said Globaldata reported that Lifescan was one of four leaders in the European self monitoring blood-glucose market with a share of about 19 percent in 2008. Universal Biosensors was up 1.5 cents or one percent to \$1.52.

VERVA PHARMACEUTICALS

Verva says Isis Pharmaceuticals has added fibroblast growth factor receptor 4 antisense oligonucleotide (ISIS-FGFR4Rx) to its development pipeline.

Verva said that in August 2009, it licenced its intellectual property targeting fibroblast growth factor receptors with antisense technology to Isis for the treatment of metabolic disorders, including obesity.

Verva said ISIS-FGFR4Rx was the first drug in the Isis franchise to treat obesity.

Verva chief executive officer Vince Wachter said Isis had been "an excellent partner and we are very pleased with the results from our collaborative work on this important target".

The company said Isis has advanced its FGFR anti-obesity drug into development.

Verva said that inhibition of the FGFR pathway had been shown to prevent fat cell formation in human cells in vitro and in animal models and could offer promising antisense targets for obesity and other diseases.

Verva said it received an undisclosed upfront payment from Isis and was eligible for future milestone payments and royalties.

Verva is a spin-out from Chemgenex and is an unlisted public company.

EASTLAND MEDICAL SYSTEMS

Eastland says its net operating cash burn for the three months to December 31, 2010 was \$1,195,000 with cash at the end of the quarter of \$869,000.

Eastland said it had \$575,000 in loan facilities and \$3,000 in credit.

Eastland fell 0.1 cents or 2.3 percent to 4.2 cents with 4.2 million shares traded.

GIACONDA

Giaconda says its net operating cash burn for the three months to December 31, 2010 was \$95,000 with cash at the end of the quarter of \$49,000.

Giaconda did not disclose whether it had any other funding sources.

Giaconda was untraded at 3.8 cents.

PHARMAUST

Pharmaust says its net operating cash burn for the three months to December 31, 2010 was \$368,000 with cash at the end of the quarter of \$480,000.

Pharmaust did not disclose whether it had any other funding sources available.

Pharmaust was up 0.2 cents or 9.1 percent to 2.4 cents.

SOLAGRAN

Solagran says its net operating cash burn for the three months to December 31, 2010 was \$2,607,000 with cash at the end of the quarter of \$3,517,000.

Solagran did not disclose whether it had any other funding sources available, but the notice said it had received \$312,000 in the three months to December 31, 2010 and \$507,000 for the six months to December 31, 2010.

In February 2010, Solagran said it expected revenue of \$US15 million from its over-the-counter conifer green needle extract by December 2010 (BD: Feb 5, 2010).

Solagran was unchanged at 12 cents.

STIRLING PRODUCTS

Stirling says its net operating cash burn for the three months to December 31, 2010 was \$644,000 with cash at the end of the quarter of \$113,000.

Stirling said it acquired 65 percent of the company Telemedcare, had \$1.2 million in credit standby facilities and had issued 240,326,585 shares to reduce debt and pay suppliers.

Stirling was unchanged at 0.7 cents with 30.4 million shares traded.

SUNSHINE HEART

Sunshine Heart has appointed Pathway Medical Technologies chairman and chief executive officer Paul Buckman a non-executive director.

Sunshine Heart said the board had six Australian and two US-based board members.

Chairman Nicholas Callinan said Mr Buckman's expertise would "supplement our already strong board".

Prior to joining Pathway, Mr Buckman was president of St Jude Medical's cardiovascular division and was previously president of Boston Scientific's cardiovascular division where he oversaw the interventional cardiology and radiology businesses.

Sunshine Heart was up 0.4 cents or 11.4 percent to 3.9 cents.

CLINUVEL PHARMACEUTICALS

Clinuvel Pharmaceuticals says it has appointed Elie Ishag as a non-executive director.

Clinuvel said Mr Ishag was a London based entrepreneur with more than 40 years' commercial experience and a background in pharmaceutical chemistry and was "active in European asset management, real estate development and [information technology]".

Clinuvel was unchanged at \$2.22.

ALCHEMIA

Alchemia says chief financial officer and company secretary David Green has resigned to return to Victoria with his family to take up a new position.

Alchemia said it was in advanced discussions with a potential replacement chief financial officer and expected to announce the appointment "in the near future".

The company has appointed Stephen Denaro as company secretary.

Mr Denaro is an independent company secretary and also provides services for Impedimed and Leaf Energy.

Alchemia fell 2.5 cents or 3.6 percent to 67.5 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Feb 2010	Jan 2011	Feb 2011
Cochlear	3,618	4,557	4,369
CSL	17,978	19,817	20,268
Resmed	4,432	5,291	4,852
BDI-20			
Acrux	324	588	591
Alchemia	142	121	134
Bionomics	107	99	119
Biota	374	179	231
Cellestis	342	240	231
Chemgenex	266	129	142
Clinuvel	65	63	67
Genera	44	28	31
Heartware	450	1,180	1,347
Impedimed	82	122	119
Living Cell	57	38	37
Mesoblast	295	1,180	1,460
Nanosonics	140	198	182
Phylogica	26	18	22
Pharmaxis	585	674	600
Sirtex	374	337	315
Starpharma	168	202	215
Sunshine Heart	19	36	35
Tissue Therapies	26	100	91
Universal Biosensors	288	241	239
Second 20			
Advanced Surgical	9	12	12
Antisense	30	6	6
Benitec	16	12	20
Cathrx	38	40	34
Cellmid (ex-MTY)	11	10	12
Circadian	32	26	30
Compumedics	32	31	24
Genetic Tech	15	13	42
Immuron (Anadis)	26	21	24
LBT Innovations	9	6	8
Optiscan	9	10	7
Patrys	37	23	23
Phosphagenics	49	89	96
Prana	36	30	34
Prima	97	127	177
Psivida	76	102	96
QRX Pharma	86	176	170
Uscom	31	12	16
Viralytics	26	18	19
Virax	11	5	5

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Biota, Chemgenex, Impedimed, Neuren, Optiscan and Sunshine Heart, as well as non-biotechnology stocks. These holdings are liable to change at any time.

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