



# Biotech Daily

Monday May 30, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PHARMAXIS UP 27%; CATHRX DOWN 11%**
- \* **BIOTECH, BIOLOGICAL SCIENCE WIN \$19m ARC LINKAGE GRANTS**
- \* **CENTAURUS TAKES 8% OF CELLESTIS, LOSES DERIVATIVES**
- \* **MERCK SERONO WINS TOP EMPLOYER GONG**
- \* **SOLAGRAN FINDS \$4.6m LOANS, CREDIT**
- \* **STIRLING ZODIAC IMMUNE NETWORK SUBLINGUAL TB AGREEMENT**

## MARKET REPORT

The Australian stock market fell 0.35 percent on Monday May 30, 2011 with the S&P ASX 200 down 16.5 points to 4667.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, 19 fell, five traded unchanged and four were untraded. All three Big Caps fell.

Pharmaxis was best for the second trading day in a row, climbing as much as 47.5 cents or 51.6 percent to \$1.395 before closing up 25 cents or 27.2 percent at \$1.17 with 15.4 million shares traded, followed by Antisense and Viralytics up 10 percent to 1.1 cents and 11 cents respectively, with three million and 16.7 million shares traded, respectively.

Genetic Technologies climbed 4.2 percent; Cellmid was up 3.6 percent; Genera. LBT and Psivida rose more than two percent; with Alchemia, Circadian and Universal Biosensors up one percent or more.

Cathrx led the falls, down two cents or 11.1 percent to 16 cents with 80,000 shares traded, followed by Prana down 10 percent to 18 cents with 38,000 shares traded.

Living Cell lost eight percent; Patrys was down 7.1 percent; Optiscan was down 6.25 percent; Bionomics and Phylogica fell more than four percent; Benitec, Nanosonics and Tissue Therapies were down three percent or more; Mesoblast and Starpharma shed more than two percent; with Cochlear, Resmed, Sirtex and Sunshine Heart down one percent or more.

### AUSTRALIAN RESEARCH COUNCIL LINKAGE GRANTS

Biotechnology and biological sciences have won \$19,475,303 or 38.8 percent of the \$67,393,349 Australian Research Council Linkage grants funding for 2011.

A media release from Innovation Minister Senator Kim Carr said the 219 successful grants for collaboration between universities and industry included “needle-free vaccinations, protection from cyber-bullying and a better understanding of the impact of sea change on coastal communities”.

The media release said 31 Australian research institutions were awarded funding to partner with 436 organizations which would contribute an additional \$139 million in cash and in-kind support, with funding to begin in July 2011.

While there is no single plain English description of the grants, a series of announcements on the grants is at: [http://www.arc.gov.au/media/major\\_announce.htm](http://www.arc.gov.au/media/major_announce.htm).

Linkage Grants were awarded to collaborations with Cochlear, Glaxosmithkline, Immuron, Novartis, Pfizer, Sirtex and Tissue Therapies.

Biotech Daily hopes to provide a more complete list of grant recipients in tomorrow’s edition.

Senator Carr said the 2009 Budget’s research and development tax credit plan was awaiting debate in the Senate.

### CELLESTIS

Centaurus Capital says it has increased its substantial shareholding in Cellectis from 6,923,342 shares (7.20%) to 7,739,581 shares (8.05%).

Previously, Centaurus has said 2,006,537 shares were held “contracts for difference” acquired at \$3.42 a share on May 2, 2011 (BD: May 11, 12, 18, 2011).

Today, Centaurus said it had “ceased to hold an economic interest in ordinary shares arising from equity derivatives”.

Cellectis fell one cent or 0.3 percent to \$3.39.

### MERCK SERONO AUSTRALIA

Merck Serono Australia says it has been recognised as one of 11 companies in Australia and New Zealand to be named as a 2011 Aon Hewitt Best Employer.

The Chicago-based Aon Corp describes itself as a provider of risk management services, insurance and reinsurance brokerage and human capital and management consulting.

In a media release Merck Serono said the Aon Hewitt Best Employers in Australia and New Zealand study reflected the opinions of more than 124,000 employees across 200 companies in Australia and New Zealand and formed part of an accreditation program with 130 companies.

Merck Serono Australia managing director David Garmon-Jones said the accreditation “highlights our commitment to ensuring we provide a challenging and supportive work environment where our employees can see a clear purpose to their job and be involved in shaping the vision and strategy of our business”.

Merck Serono said it was continuing to expand its presence in Australia, resulting in increased investment in research and development and improved local employment opportunities.

## SOLAGRAN

Solagran says it has convertible loans from shareholders for \$3.1 million and its Siberian subsidiary Sibex has established a line of credit for \$1.5 million.

Solagran said the investor loans were subject to shareholder approval and could be converted into shares at 15 cents a share.

Solagran said its wholly-owned subsidiary Tomsik subsidiary Sibex had been granted a line of credit of up to \$1.5 million.

Earlier this month, Solagran said its net operating cash burn for the three months to March 31, 2011 was \$1,859,000 with cash at the end of the quarter of \$764,000 (BD: May 2, 2011).

Solagran was up half a cent or 3.85 percent to 13.5 cents.

## STIRLING PRODUCTS

Stirling says with its joint venture partner Zodiac Capital it has a conditional agreement with Canada's Immune Network for its over-the-counter Immunoxel.

Stirling said a sublingual Immunoxel tablet formulation had "demonstrated improved effectiveness and potential for accelerated cure rate".

The company said the decreased cost of production, improved stability and ease of use of the formulation was "likely to improve the accessibility and availability of the product for [tuberculosis].

Stirling said that Immunoxel or Dzherelo was a Kiev Ukraine-developed multi-herbal extract which the company claimed "has been demonstrated in numerous clinical trials to be extraordinarily effective where provided as an adjunct in all forms of TB treatment, including the drug resistant forms MDR-TB and XDR-TB, as well as for patients with HIV [and] TB co-infection".

Stirling said that following [a] meeting at the US National Institutes of Health it would continue with its plans for a cooperative research agreement with the NIH, to further establish the effect of Immunoxel on HIV-related endpoints and Immune Network would produce batches of the new Immunoxel tablet formulation and continue clinical demonstration trials of the new product.

The company said the agreement was conditional on Immune Network becoming current in its statutory filings and issuing 20,000,000 shares for the nonexclusive marketing rights to Immunoxel and providing Stirling with direct exposure to potential profitability from Immune Network's other TB immunotherapy V-5 Immunitor.

Stirling said it would subscribe for 5 million Immune shares at two US cents a share to be paid by the issue of 12.5 million Stirling shares and 333,333 Zodiac shares.

Stirling was unchanged at 0.4 cents.