



Biotech Daily

Thursday June 30, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: GENETIC TECHNO UP 17%, CATHRX DOWN 16%**
- * **APPLY FOR \$50k VICTORIA PRIZE, FELLOWSHIPS; SMORGON AWARD**
- * **BLUECHIIP WINS \$100,000 VICTORIAN TECHNOLOGY VOUCHERS**
- * **HEALTHLINX \$3m EQUITY DRAW-DOWN PLACEMENT**
- * **BIO-MELBOURNE BREAKFAST ON PRICING AND REIMBURSEMENT**
- * **IAN MACPHERSON INCREASES, CEASES SUBSTANTIAL IN AVITA**
- * **COGSTATE LOSES DR MICHAEL WOOLDRIDGE, RICHARD MORGAN**

MARKET REPORT

The Australian stock market climbed 1.73 percent on Thursday June 30, 2011 with the S&P ASX 200 up 78.5 points to 4,608.0 points.

Eighteen of the Biotech Daily Top 40 stocks rose, 11 fell, seven traded unchanged and four were untraded. All three Big Caps were up.

Genetic Technologies was the best, up three cents or 16.7 percent to 21 cents with 1.3 million shares traded, followed by Prana up 11.4 percent to 19.5 cents with 268,500 shares traded.

Circadian climbed 8.4 percent; Starpharma and Virax were both up 5.3 percent; Biota, Mesoblast, Nanosonics, Phylogica and Universal Biosensors were up more than four percent; Living Cell and Pharmaxis were up more than three percent; Acrux, and CSL rose more than two percent; with Alchemia, Cochlear, Prima and Viralytics up more than one percent.

Cathrx led the falls, down two cents or 16 percent to 10.5 cents with 132,616 shares traded, followed by Antisense down 11.1 percent to 0.8 cents with 20.4 million shares traded.

Cellmid lost eight percent; Bioniche was down 6.25 percent; Optiscan fell 4.55 percent; Clinuvel and Phosphagenics were down more than three percent; with Anteo, QRX and Sirtex down more than one percent.

VICTORIA PRIZE AND FELLOWSHIPS

Victoria's Minister for Innovation Louise Asher has called for applications for the \$50,000 Victoria Prize and six \$18,000 early-career Victoria Fellowships.

A Victorian government media release said that the awards were open to "leading and emerging innovators and researchers in science, engineering and technology".

"Research and innovation are the foundation from which knowledge-based economies and societies grow," Ms Asher said.

"These two award programs are designed to celebrate, nurture and reward talented Victorians," Ms Asher said.

Ms Asher said the Victoria Prize recognized "an individual whose discovery or innovation has significantly advanced knowledge or has the potential to produce commercial and/or community benefits".

Past Victoria Prize recipients have been responsible for the world's first zero waste technology for the plastics and car industry, the treatment of heart disease, the discovery of a new class of anti-influenza virus drugs and the development of the world's first plastic bank note, the media release said.

The research institute supporting the work of the Victoria Prize winner would receive the \$100,000 Anne and Eric Smorgon Memorial Award.

"Six Victoria Fellowships worth \$18,000 will also be awarded to early-career professionals to undertake specialist training overseas," Ms Asher said.

The media release said applications closed on August 3, 2011 with more information available at: www.business.vic.gov.au/vicprize or www.business.vic.gov.au/vicfellows.

BLUECHIIP

Bluechiip says it has received about \$100,000 from the Victorian Government's Small Technologies Industry Uptake Program.

Bluechiip said the Program was managed by the Small Technologies Cluster, based in Scoresby, Victoria.

Bluechiip chief executive officer Brett Schwarz told Biotech Daily that the voucher system provided funds for accredited suppliers including the payment of patent attorneys and engineering facilities.

The company said the grants were in addition to the \$2 million in grants and tax concessions the company had received since 2005 and would be used to fund the costs of expanding the company's tracking device.

The company said the funds would be used to help develop a prototype that combines the company's tracking and monitoring technologies with thin films designed to heat samples in a controlled way and investigate their application in a freezer, enabling racks and boxes to be audited and located without requiring freezers to be opened.

Bluechiip said the feasibility study results would be used with a co-development partner to develop a 'smart freezer'.

The company said it had registered as an approved supplier under Program and planned to apply for further funding, including the trial voucher system which could provide funding of up to \$250,000 for agreed trial projects.

For more information about the Program, go to: <http://stc-melbourne.com/index.php/stiup>.

Bluechiip was untraded at 15 cents.

HEALTHLINX

Healthlinx says it has secured access to additional equity funding of up to \$3 million from an unnamed US-based institutional investor.

Healthlinx managing director Nick Gatsios told Biotech Daily the placement would be made as monthly draw down facility on the terms approved at an extraordinary general meeting earlier this year (BD: Mar 28, 2011) including no more than a 10 percent discount to the five-day volume weighted average price.

The company said the funds would be used to continue development and commercialization activities of its Ovplex ovarian cancer diagnostic, including completion of the second study and ongoing roll-out to other jurisdictions.

Healthlinx said it was in discussions "with an internationally focused investment banking group to assist with the future growth of the company".

Mr Gatsios said the funding was "an encouraging show of faith in the company's progress to have secured access to further equity funding of this magnitude and we look forward to increasing the company's profile in the US ... as a result."

Healthlinx was up 0.1 cents or 3.3 percent to 3.1 cents with 1.5 million shares traded.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network July Bio-Breakfast will provide an overview of successful and effective strategies for reimbursement and pricing.

Bio-Melbourne Network chief executive officer Michelle Gallaher said that "sound strategies for reimbursement and pricing are becoming more critical than ever before".

"The burgeoning healthcare costs for government and increasing competition for drugs to be subsidized by the Pharmaceutical Benefits Scheme means that not every drug can be reimbursed and some companies will miss out," Ms Gallaher said.

A Bio-Melbourne Network media release said that Viiv Healthcare's head of sales and marketing Michele Robbins will discuss some of the approaches for successful listing on the Pharmaceutical Benefits Scheme.

The Network said Ms Robbins would discuss recent policy changes released by the Pharmaceutical Benefits Advisory Committee and Medical Services advisory Committee that impact the scheme.

The Network said Ms Robbins would also cover price setting and launching into the private market.

The media release said that Genetic Technologies chief executive officer Dr Paul MacLeman would talk about the options for reimbursement and the private market for the diagnostics sector.

The Network said Dr MacLeman would focus on reimbursement for diagnostics in the US. Genetic Technologies recently launched its Brevagen test for breast cancer in the US (BD: May 31, 2011).

The July 12, 2011 Bio-Breakfast will be held at Cinema 1, Australian Centre for the Moving Image, Federation Square, Melbourne.

Registration and buffet breakfast from 7:15am, with presentation from 8am.

For more information or to book go to: <http://biomelbourne.org/events/view/193>.

AVITA MEDICAL

Ian Macpherson has increased his share-holding in Avita but has been diluted below the substantial five percent through a placement and share plan.

In the change of substantial shareholder notice, Anthony Barton said he held 10,149,997 shares (4.26%) but a covering letter from Avita said that before the change he held 6,649,997 shares or 5.64 percent.

Avita fell half a cent or 4.35 percent to 11 cents.

COGSTATE

Cogstate says directors Dr Michael Wooldridge and Richard Morgan have resigned as effective from today, June 30, 2011.

Cogstate said it did not plan to appoint replacements at this time and the board comprised chairman Martyn Myer, chief executive officer Brad O'Connor and non-executive directors David Simpson and Richard van den Broek.

The company said that in 2009, former Federal Health Minister, Dr Wooldridge led the successful bid for the new Co-operative Research Centre for Mental Health and had been appointed its chairman.

Cogstate said that tomorrow, July 1, it would sign a participant's agreement to join the Centre, which aims to identify biomarkers and develop diagnostic kits for the early treatment of Alzheimer's disease, Parkinson's disease, schizophrenia and other related disorders.

The company said that Co-operative Research Centre guidelines prohibit any conflict of interest between participants and Centre management or board, so it was necessary for Dr Wooldridge to stand down from the Cogstate board.

Cogstate said Mr Morgan was based in the United Kingdom and had been unable to travel to Australia on a regular basis due to personal reasons.

Cogstate was untraded at 17 cents.