



Biotech Daily

Friday July 1, 2011

Daily news on ASX-listed biotechnology companies

- * **5-YEAR JUNE BDI-40 UP 109%; ASX200 DOWN 9.2%**
- * **TODAY: ASX DOWN, BIOTECH UP: CATHRX UP 14%; VIRAX DOWN 5%**
- * **ELI LILLY: 'VERY PLEASED' WITH ACRUX'S AXIRON SALES**
- * **VIRALYTICS 29m DIRECTOR OPTIONS, 1:10 CONSOLIDATION EGM**
- * **ATCOR, \$1.25m CONTRACTS, SALES DOWN, LEASES UP**
- * **TOYOTA SPONSORS COGSTATE CONCUSSION TEST FOR LOCAL AFL**
- * **PRIMA LOSES COMPANY SECRETARY PHILLIP HAINS**
- * **SELECT VACCINES LOSES COMPANY SECRETARY RICHARD WADLEY**
- * **STIRLING REQUESTS BOARD CHANGES, CEO, FUNDING TRADING HALT**

MARKET REPORT

The Australian stock market fell 0.36 percent on Friday July 1, 2011 with the S&P ASX 200 down 16.8 points to 4591.2 points.

Eighteen of the Biotech Daily Top 40 stocks were up, 10 fell, six traded unchanged and six were untraded.

Cathrx was the best, up 1.5 cents or 14.3 percent to 12 cents with 70,000 shares traded, followed by Phosphagenics up 12 percent to 14 cents with 384,456 shares traded and Pharmaxis up 11.9 percent to 94 cents with 1.6 million shares traded.

Genetic Technologies and Universal Biosensors climbed more than seven percent; Sunshine Heart and Tissue Therapies were up six percent or more; Anteo and Cellmid were up more than four percent; Clinuvel, Optiscan and Prima were up more than three percent; Biota rose 2.62 percent; with Acrux, QRX and Sirtex up more than one percent.

Virax led the falls, down 0.1 cents or five percent to 1.9 cents, with 50,000 shares traded, followed by Living Cell down 4.7 percent, to 6.2 cents with 100,000 shares traded.

Alchemia, Bionomics and Impedimed lost more than three percent; Prana and Starpharma shed two percent or more; with CSL, Nanosonics and Viralytics down more than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

June 2011 was a bad month all around, for the ASX, the US and European markets and across most sectors, including the Biotech Daily Second 20 dragging down the Biotech Daily Top 40 Index (BDI-40) index 5.4 percent, but there is a much bigger picture.

The BDI-40 is five years old today and it is up 108.8 percent for the 60 months from the closing at June 30, 2006 to last night's close. The S&P ASX200 is down 9.2 percent for the same period.

Biotech Daily was fortuitous in arriving as a raft of companies moved from phase I and II trials to phase III, registration and product in the market. While acquisitions removed Peplin, Arana and Chemgenex, the organic growth has been tremendous, and not restricted to Acrux, Mesoblast and Heartware, three of the stand-out success stories.

On July 1, 2006 Bionomics was worth \$22 million and is now \$191 million, Clinuvel is up from \$65 million to \$306 million, Starpharma \$62 million to \$372 million, Sunshine Heart \$10 million to \$51 million and Tissue Therapies is up 12-fold from \$8 million to \$97 million.

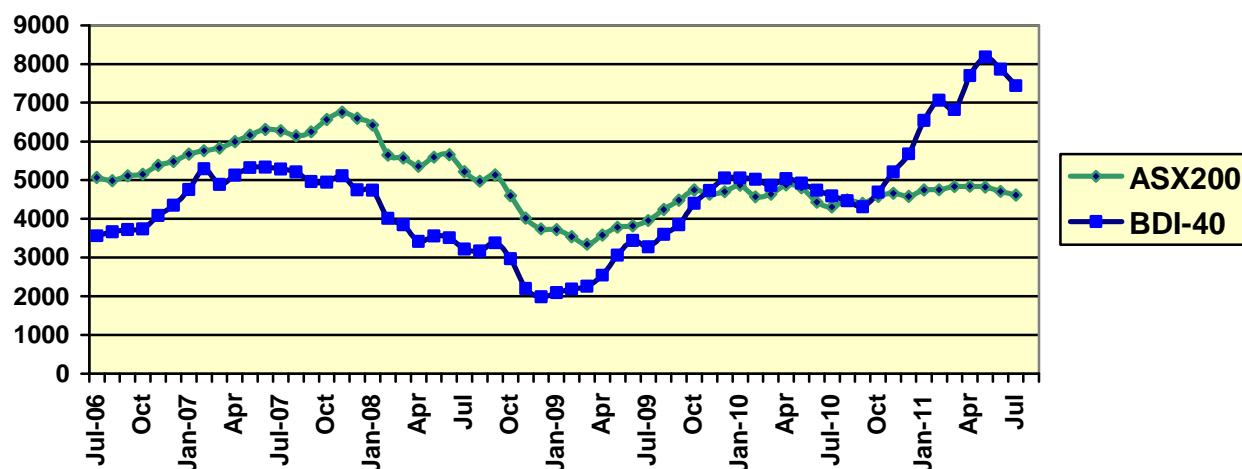
The hard luck stories include the deceased Ventracor, the rather poorly Progen and Avexa among others, with Biota close to recovery and Pharmaxis hopefully not far away.

For the year to June 30, 2011, the ASX200 was up 7.1 percent, but the BDI-40 was up 61.9 percent. The Second 20 companies had significant falls many from relatively low bases, but included losses by QRX, Anteo, Genetic Technologies and Phosphagenics. The BDI-20 was up 64.2 percent for the year.

The Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) fell 4.6 percent in June and were down 6.2 percent for the year to June 30.

In June the BDI-20 slipped 0.9 percent to a collective market capitalization of \$6,553 million, the Second 20 was down 29.3 percent to \$885 million, giving a fall of 5.4 percent to the BDI-40 for the month compared to the ASX200 down 2.1 percent for the month.

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



ACRUX

Acrux has quoted licensee Eli Lilly and Co saying it is "very pleased" with initial sales of its Axiron testosterone replacement therapy.

Acrux said that in an investment meeting on June 30, 2011 Lilly Bio-Medicines president Bryce Carmine said Axiron had been launched to specialists in the US testosterone replacement therapy market in April 2011.

Acrux quoted Eli Lilly data showing that for the week ending June 10, 2011, Axiron had increased to 29 percent of the new-to-brand prescriptions (NTBRx) written for testosterone therapy by urologists and endocrinologists.

Acrux said that for the same week, Axiron grew to 13 percent of the new-to-brand prescriptions written for testosterone therapy by primary care physicians.

Acrux chief financial officer Jon Pilcher told Biotech Daily that typically new-to-brand prescriptions made up about 15 percent of all prescriptions.

Acrux said the new-to-brand prescriptions were generated from patients commenced on a product for the first time, including new therapy starts, switches and add-on therapy and the category isolated instances when a physician made a treatment decision and was acknowledged to be a leading early indicator of sales performance.

The company said the testosterone replacement therapy market in the US was worth \$1 billion a year and growing at 20 percent a year.

"Despite having launched Axiron to specialists just three months ago, we are very pleased with our initial launch uptake and payor discussions, as you can see given the new-to-brand trend versus competitors," Mr Carmine said

Acrux was up five cents or 1.5 percent to \$3.44.

VIRALYTICS

Viralytics shareholders will vote to issue up to 29,000,000 current options to directors and consolidate the company's shares in a one-to-10 ratio.

The number of options proposed to be issued to directors in the notice of meeting is cited as 2,900,000 "calculated on the basis resolution 2 is approved and the 10:1 consolidation occurs" but if the consolidation did not occur the number and price would be adjusted.

The company proposed issuing 600,000 post-consolidation options to Paul Hopper, 300,000 to Peter Molloy, 600,000 to Dr Phillip Altman, 800,000 to Bryan Dulhunty and 600,000 to Dr Darren Shafren.

Viralytics said the meeting would also vote on a change to the constitution.

The meeting will be held at the King Room, Grace Hotel, Level 1, 77 York Street, Sydney on August 2, 2011 at 11.30am (AEST).

Viralytics fell 0.1 cents or 1.4 percent to 7.2 cents with 2.9 million shares traded.

COGSTATE

Cogstate says Toyota will sponsor its concussion testing technology for 130 local Australia Rules Football League (AFL) clubs.

Cogstate said Toyota would provide the testing used by AFL clubs to more than 25,000 local footballers.

Toyota senior executive director of sales and marketing David Buttner said that "providing concussion management testing to young players along with much-needed financial support reflects our commitment to safety and continuous improvement".

Cogstate was untraded at 17 cents.

ATCOR MEDICAL

Atcor says it has signed two Sphygmocor contract expansions worth \$1.25 million, but expects lower sales and more leases for the current financial year.

Atcor chief executive officer Duncan Ross said the sales to the unnamed pharmaceutical company of its non-invasive Sphygmocor central blood pressure and arterial stiffness diagnostic showed that "our pharmaceutical sector fundamentals continue to be very positive, with strong double digit contract value growth year on year".

"Our pipeline remains robust for both existing and new customers," Mr Ross said.

"As customers increasingly choose to lease systems through a pay-as-you-go model rather than outright purchase, recognized pharmaceutical revenue will be slightly less in 2010-'11 than the previous year," Mr Ross said.

"While more contracts changing to a leasing model will have an initial impact on sales, it provides a predictable revenue and cash stream for future periods," Mr Ross said.

Atcor said that with the increased lease versus capital contract mix and the delay of one pharmaceutical-sector contract into 2011-'12, it was adjusting its sales outlook for 2010-2011 and expected to report marginally lower sales on a constant currency basis compared to the previous corresponding year.

Atcor said it expected a strong 2011-'12.

Atcor was up half a cent or 3.3 percent to 15.5 cents.

PRIMA BIOMED

Prima says that due to a change of registered address from Melbourne to Sydney, joint company secretary Phillip Hains has resigned today.

Prima said Mr Hains was appointed to the company in March 2002.

The company said chief financial officer and joint company secretary Ian Bangs continued as company secretary.

Prima was up one cent or 3.45 percent to 30 cents with 13.2 million shares traded.

SELECT VACCINES

Select Vaccines says that due to the relocation from Melbourne to Perth, joint company secretary Richard Wadley has resigned effective immediately.

Select Vaccines said Phil Warren continued as the sole company secretary.

Select Vaccines was unchanged at 0.6 cents.

STIRLING PRODUCTS

Stirling has requested a trading halt pending an announcement on board changes, the appointment of a chief executive officer its proposed UK Alternative Investment Market listing and funding.

Trading will resume on July 5, 2011 or on an earlier announcement.

Stirling last traded at 0.2 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Big Caps (\$Am)	Jul-10	Jun-11	Jul-11
Cochlear	4,202	4,527	4,086
CSL	17,909	18,046	17,454
Resmed	5,586	4,653	4,436
BDI-20			
Acrux	291	614	564
Alchemia	98	132	117
Bionomics	86	241	191
Biota	183	216	173
Cellestis	264	321	306
Clinuvel	68	56	50
Genera	28	18	13
Heartware	1,191	963	994
Impedimed	70	94	89
Living Cell	59	30	22
Mesoblast	286	2,257	2,420
Nanosonics	120	184	176
Pharmaxis	464	260	192
Phylogica	17	29	29
Prima	73	286	262
Sirtex	273	284	273
Starpharma	129	391	372
Sunshine Heart	20	55	51
Tissue Therapies	25	83	97
Universal Biosensors	244	167	162
Second 20			
Advanced Surgical	15	11	8
Anteo	28	72	53
Antisense	8	10	8
Benitec	13	31	26
Bioniche	81	107	101
Cathrx	38	23	15
Cellmid	6	11	9
Circadian	23	30	26
Compumedics	21	15	13
Genetic Technologies	14	101	85
LBT Innovations	6	4	4
Optiscan	7	6	8
Patrys	19	32	22
Phosphagenics	74	119	103
Prana	36	48	53
Psivida	65	81	83
QRX Pharma	121	263	210
Uscom	15	14	11
Viralytics	17	56	43
Virax	12	4	4

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Allied Health, Bionomics, Biota, , Neuren, Optiscan, Pharmaxis, Sunshine Heart and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in Atcor, Circadian, Pharmaxis, QRX and Tissue Therapies. These holdings are liable to change.

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