



Biotech Daily

Thursday July 21, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BIOTA UP 5%; LIVING CELL DOWN 11%**
- * **IMMURON, CASE WESTERN EXPAND IMM-243 FOR AIDS TRIAL**
- * **ELLEX BLAMES FOREX FOR EXPECTED 'SMALL LOSS OR BREAK-EVEN'**
- * **BANK OF NEW YORK MELLON TAKES 5% OF COCHLEAR**
- * **CBIO TRIAL RESULTS TRADING HALT**
- * **BLUECHIIP LENDS \$500k TO CHAIRMAN IAIN KIRKWOOD FOR SHARES**

MARKET REPORT

The Australian stock market was up 0.14 percent on Thursday July 21, 2011 with the S&P ASX 200 up 6.3 points to 4556.0 points.

Twelve of the Biotech Daily Top 40 stocks were up, seven fell, 12 traded unchanged and nine were untraded.

Biota was the best, up five cents or 5.1 percent to \$1.03 with 222,148 shares traded.

Cellmid, Optiscan and Phylogica climbed more than four percent; Acrux rose 2.5 percent; Alchemia, Impedimed, Pharmaxis and Tissue Therapies were up more than one percent; with Cellestis, Clinuvel, Cochlear, CSL and Mesoblast up more than one percent.

Yesterday's best, Living Cell, led the falls, down 0.8 cents or 11.4 percent to 6.2 cents with 253,250 shares traded, followed by Antisense down 0.1 cents or 11.1 percent to 0.8 cents with 4.4 million shares traded.

Virax lost 9.5 percent; Anteo and Viralytics fell more than four percent; Benitec and Prima were down more than three percent; Resmed shed 2.6 percent; Nanosonics was down 1.25 percent; with Starpharma down 0.6 percent.

IMMURON

Immuron says Case Western Reserve University Center for AIDS Research in Ohio will take its IMM-243 to an expanded study of recently-infected HIV-1 patients.

Immuron described Case Western as its research partner and said that to date nine patients had been enrolled and the data generated had shown a positive trend, encouraging an expansion of the trial.

The company said the initial findings were presented as a poster at the International AIDS Society conference in Rome, showing that IMM-243 could potentially reduce plasma levels of microbial products in HIV-infected persons and thereby reducing immune activation.

Immuron said the Case Western Research group, was led by Prof Michael Lederman. The poster concluded that: "Hyperimmune [bovine colostrum powder] may reduce plasma levels of microbial products in HIV-infected persons, and thereby reduce immune activation. The effects of longer course administration of [bovine colostrum powder] in different clinical settings of HIV infection should be explored".

The poster entitled 'Hyperimmune bovine colostrum may decrease plasma levels of microbial products and immune activation in untreated HIV infection' is available at:

<http://pag.ias2011.org/abstracts.aspx?aid=3842>.

Immuron said the initial trial was, and expansion would be, funded by the US National Institutes of Health.

Immuron said it had previously announced positive in vitro results for its HIV microbicide candidate IMM-252 which was being developed with the University of Melbourne (BD: May 26, 2010; Mar 8, 2011).

Immuron chief executive officer Joe Bains said the second HIV program formed "part of the Immuron development program dedicated to novel and practical approaches to combating the deadly HIV conundrum".

"We are encouraged by the early findings, yet believe that with further recruitment of naïve patients in this study, we will be better placed to appreciate future applications of this novel therapy," Mr Bains said.

Immuron was up one cent or 15.4 percent to 7.5 cents.

ELLEX MEDICAL LASERS

Ellex says it expects the operating result for the year to June 30, 2011 "to be breakeven or a small loss ... as a result of reduced revenues".

For the 12 months to June 30, 2010, Ellex posted a net profit after tax up 117 percent to \$3,820,000 on revenue down 19 percent to \$47,420,000 (BD: Aug 26, 2010).

Today, Ellex said that the strengthening of the Australian dollar against the Yen, Euro and US dollar currencies during the 2011 financial year impeded trading margins, compared to the prior corresponding period.

The company said it expected group revenues are expected to be down by 10 percent from last year, of which eight percent could be attributed to exchange rates, with the balance due to a reduction in sales volume.

Ellex chief executive officer Tom Spurling said the "key strengths and value of the Ellex business reside in our intellectual property, global distribution network and engineering capabilities".

"The future of our business lies in leveraging these in a sustainable manner [and ... plans are underway accordingly]," Mr Spurling said.

Ellex said it expected to release its audited full-year result in the by August 26, 2011.

Ellex was unchanged at 18.5 cents.

COCHLEAR

The Bank of New York Mellon has become a substantial shareholder in Cochlear with the acquisition of 2,847,424 shares or 5.02 percent of the company.

The initial substantial shareholder notice said the Wall Street New York bank acquired the shares on behalf of related companies, MBSC Securities, Dreyfus Corp, Walter Scott and Partners and Ankura Capital, during the past four months.

Cochlear was up 60 cents or 0.8 percent to \$73.73.

CBIO

CBio has requested a trading halt pending an announcement "pending the release of a material announcement concerning the recently completed phase IIa clinical trial in rheumatoid arthritis" (BD: Mar 28, 2011).

Trading will resume on July 25, 2011 or on an earlier announcement.

CBio last traded at 68 cents.

BLUECHIIP

Bluechiip says it has granted an unsecured, short term loan facility of up to \$500,000 to chairman Iain Kirkwood.

Mr Kirkwood told Biotech Daily the loan was acquire shares in Bluechiip.

Bluechiip said the loan was unsecured, carried interest at 12.95 percent per annum and was repayable in full by no later than June 30, 2012.

The company said the remaining terms of the loan facility were on the usual terms for a facility of this nature and all remuneration and any other compensation that would otherwise be payable to the chairman would be applied towards repayment of the loan facility.

In deciding to approve the loan, Bluechiip said its remuneration committee had regard to, among other things, the chairman's remuneration arrangements in light of the significant current and future demands on his time and his active involvement in the company as it proceeded towards commercializing of its unique technology.

Bluechiip said the committee was also mindful of the need to minimize overhead expenditure during the early period of growth for the company since listing on ASX.

The company said the loan was considered and approved by the board with the chairman not present in the discussion or voting and there was no contrary view or abstention by any director approving the loan facility.

Bluechiip fell two cents or 11.1 percent to 16 cents.