



Biotech Daily

Wednesday April 18, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CELLMID UP 100%, BENITEC DOWN 10.5%**
- * **AUSBIOTECH: INDUSTRY UPBEAT - DESPITE ECONOMY, POLICY**
- * **CELLMID JUMPS 107% ON US MIDKINE ADHESION PATENT**
- * **IMMURON REQUESTS CAPITAL RAISING TRADING HALT**
- * **ANTEO 'MIX&GO SOLVES BIO-GLUE DAMAGE FOR RESEARCH'**

MARKET REPORT

The Australian stock market climbed 1.4 percent on Wednesday April 18, 2012 with the S&P ASX 200 up 59.9 points to 4,348.7 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and nine were untraded.

Cellmid was the best, climbing as much as 107.1 percent to 2.9 cents and closing up 1.4 cents or 100 percent at 2.8 cents with 228.9 million shares traded, equivalent to more than half the company's share register.

Psivida climbed 17.5 percent to \$1.95 with 7,340 shares traded; Neuren was up eight percent; Universal Biosensors was up 5.8 percent; Genetic Technologies and Optiscan were up more than four percent; Biota was up 3.2 percent; Acrux and Sirtex rose two percent or more; Anteo, Mesoblast, Nanosonics, Pharmaxis and Resmed were up more than one percent; with Cochlear and Reva up by less than one percent.

Benitec led the falls, down 0.2 cents or 10.5 percent to 1.7 cents, with 2.5 million shares traded.

Prana lost 6.25 percent; both Antisense and Avita fell 5.6 percent; Tissue Therapies fell 3.2 percent; Phosphagenics and Viralytics shed more than two percent; Alchemia and Bionomics were down more than one percent; with CSL and Starpharma down by less than one percent.

AUSBIOTECH

Ausbiotech says that its annual industry survey shows bullish sentiment for the future, but economic and public policy remain a concern.

Ausbiotech said that the survey, conducted with accountants Grant Thornton of 50 responding companies found that 82 percent of respondents expected their businesses to increase in the coming year compared with 75 percent in 2011, with 68 percent saying the last year was "good or excellent" compared to 56 percent the previous year.

In a media release, Ausbiotech said that the Biotechnology Industry Position Survey found that the expansionary approach to employment that emerged during 2009 persisted with a majority of companies (58%) indicating they would increase staff in the coming year.

But the survey found that the Australian operating environment, namely economic and public policy, was a concern for the growth of biotechnology companies, with 38 percent of companies saying it was working against their growth.

Ausbiotech chief executive officer Dr Anna Lavelle said the industry "performed strongly despite an unpredictable economic market and Australia continues to be a leading location for biotechnology in the Asia-Pacific region and the world, ranked the fifth most innovative in the world".

"The Australian industry has received a major boost with the 2011 passing of the [Research and Development] Tax Incentive legislation ... a significant event with 65 percent of companies confident it will have a positive impact on their business, however the Federal Government is urged to consider further incentives for investment, a greater quanta of targeted funding support, and provide predictability for policy and programs," Dr Lavelle said.

The survey found that collectively the 50 responding companies planned to spend at least \$610 million on research and development in 2012.

Ausbiotech said that the industry was estimated to have 1,000 companies of which 400 were biotechnology and 600 were medical technology, and it was making a significant contribution to research and innovation.

Grant Thornton Australia's head of life sciences Michael Cunningham said that despite 54 percent of respondents raising capital during 2011, "funding remains a significant industry issue with 34 percent of companies indicating they have less than 12 months' cash on hand at current burn rates".

Mr Cunningham said that 46 percent of responding companies intended to raise capital in the coming year.

Ausbiotech said that the industry was making a contribution to manufacturing, with 62 percent of responding companies manufacturing in Australia, overseas or both.

The survey is intended to provide an industry snapshot from chief executive officers and senior managers on three topics: sentiment, funding and public policy. The survey is at:

https://www.ausbiotech.org/data/downloads/Biotechnology%20survey%202012_Final.pdf

IMMURON

Immuron has requested a trading halt pending "an announcement ... in respect of a proposed capital raising".

Trading will resume on April 20, 2012 or on an earlier announcement.

Immuron last traded at 2.6 cents.

CELLMID

Cellmid climbed as much as 107.1 percent to 2.9 cents on the allowance of a midkine-related US patent entitled 'Agents for Preventing Post-Laparotomy Adhesions'.

The company said the US Patent and Trademark Office allowed the patent which was "a key patent in Cellmid's inflammatory patent family, which in turn is fundamental to the midkine antibody program" and strengthened its dominant position in the midkine space. Cellmid said the patent had been granted in Japan and was under examination in Europe. The company said the patent was part of a family that covered the use of midkine antibodies as therapeutic agents in surgically induced adhesions and granted claims for the prevention of adhesion by administering any midkine antibody or antibody fragment, providing broad protection for its therapeutic agents.

Cellmid said that surgical adhesion was the build-up of internal scarring following surgery and occurred between organs or between organs and the abdominal wall in more than 95 percent of operations, resulting in chronic pain, bowel obstruction and infertility in women. The company said that adhesions accounted for six percent of all readmissions following surgery, making it a massive unmet medical need, worth about \$5 billion globally.

Cellmid said there were no drugs for preventing surgical adhesions, which were frequently treated by further surgery to remove scarring, but 85 percent resulted in more adhesions. The company said that the leading method for preventing abdominal adhesions was the insertion of bio-absorbable barriers during surgery, but this was often ineffective, required training in use, while extending operating time and associated costs and risks.

Cellmid said that an anti-midkine antibody could be administered at the site of surgery or systemically either at the time of the procedure, or before, to pre-condition patients.

Cellmid's head of product development Darren Jones said the US patent was "an important commercial outcome for Cellmid, since surgical adhesion represents one of the key clinical areas where we anticipate applying our humanized [midkine] antibody".

Cellmid closed up 1.4 cents or 100 percent to 2.8 cents with 228.9 million shares traded.

ANTEO DIAGNOSTICS

Anteo founder and chief scientific officer Dr Joe Maeji says Mix&Go solves the problems of damage to biological materials when attached to laboratory synthetic surfaces.

Anteo said that in a poster presentation entitled 'Metal Polymers, A Glue to Immobilise Proteins onto Synthetic Surfaces' at the Emerging Technologies for 21st Century Clinical Diagnostics, in San Jose, California on April 19, 2012, Dr Maeji would explain the rationale for the Mix&Go surface coatings, which based on metal polymers, immobilized biological materials onto synthetic surfaces.

Anteo said the challenge for existing immobilization methods for biological materials, such as proteins, was that they were easily damaged, which then rendered them non-functional, compounded for researchers by the different types of synthetic materials and that a variety of biological materials needed to be immobilized on synthetic surfaces.

Anteo said its metal polymer compounds created a surface chemistry which maintained protein function and orientation per unit surface area, regardless of the surface used.

Anteo was up 0.1 cents or 1.25 percent to 8.1 cents.