



Biotech Daily

Tuesday May 8, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: ALCHEMIA UP 9%, BIONICHE DOWN 11%**
- * **UK APPROVES PSIVIDA, ALIMERA ILUVIEN FOR DME**
- * **BIODIEM EARNS \$830k LAIV LICENCE FEES**
- * **BLUECHIIP BRETT SCHWARZ: 'FOLLOW EUROPE, NOT US BIO-BANKING'**
- * **ALLAN GRAY (ORBIS) TAKES PROFIT, REDUCES TO 7% OF ACRUX**
- * **PARADICE INVESTMENTS TAKES 6% OF ACRUX**
- * **AMP TAKES 5% OF ACRUX**
- * **PHOSPHAGENICS ADDS DAVID JONES FOR COSMETICS SALES**

MARKET REPORT

The Australian stock market edged back 0.3 percent on Tuesday May 8, 2012 with the S&P ASX 200 up 13.0 points to 4,314.3 points.

Eleven of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and four were untraded.

Alchemia was the best, up four cents or 9.3 percent to 47 cents with 1.7 million shares traded.

Antisense climbed 6.7 percent; Benitec, Phosphagenics and QRX were up more than five percent; Mesoblast, Neuren and Phylogica were up four percent or more; Allied Health was up 3.85 percent; Starpharma rose 2.6 percent; Cochlear was up 1.3 percent; with Acrux and CSL up by less than one percent.

Bioniche led the falls, down five cents or 11.1 percent to 40 cents with 74,966 shares traded, followed by Genera down eight percent to 23 cents with 10,000 shares traded.

Anteo, Ellex and Universal Biosensors lost more than five percent; Circadian fell 4.1 percent; Pharmaxis was down 3.5 percent; Avita, Impedimed and Sirtex shed more than two percent; with Bionomics, Clinuvel, Genetic Technologies, Living Cell and Reva down more than one percent.

PSIVIDA

Psivida says the UK has approved the marketing of Iluvien for vision impairment associated with chronic diabetic macular oedema.

Last month, Psivida said that Austria became the first European country to approve Iluvien for vision impairment associated with chronic diabetic macular oedema considered insufficiently responsive to available therapies (BD: Apr 26, 2012).

Today, the company said that the UK Medicines and Healthcare products Regulatory Agency had granted marketing authorization and licencing partner Alimera expected the steroid insert into the eye to be available in the European Union by the end of 2012.

The company said the marketing authorizations followed the completion of the decentralized regulatory procedure, in which the UK Medicines and Healthcare products Regulatory Agency was the reference member state and gave a positive outcome for Iluvien along with the six concerned members states, which included Austria, France, Germany, Italy, Spain and Portugal (BD: Feb 29, 2012).

Psivida said that the International Diabetes Federation estimated that more than three million people were living with diabetes in the UK and Alimera estimated that about 200,000 had vision loss from chronic diabetic macular oedema.

Psivida was unchanged at \$2.10.

BIODIEM

Biodiem says it has received licence fees of \$US844,000 (\$A829,807) under existing licence agreements for its LAIV influenza vaccine.

Biodiem said the income brought total revenue for the financial year to date, from the live attenuated influenza virus (LAIV) vaccine, to \$US1.4 million and the company expected to meet a growing demand for influenza vaccines through further licencing of the vaccine.

Biodiem chief executive officer Julie Phillips said that building revenue from vaccine licencing was "a key objective for Biodiem".

"Increasing the availability of the LAIV intranasal vaccine will help increase vaccination uptake, especially in children, and lower the number of preventable deaths from influenza," Ms Phillips said.

Last year, Biodiem said that regaining rights to its live attenuated influenza vaccine candidate from Nobilon International BV led to expanded licences with Serum Institute of India and the World Health Organisation (BD: Aug 1, 2011).

Biodiem said at that time that Nobilon was part of the Merck Sharp and Dohme group, which had returned the rights to the technology as part of its pipeline prioritization, and following re-acquisition, the Serum Institute licence was expanded and the Institute would pay advance royalties of \$US1 million, of which \$US248,000 had been received.

Biodiem said the World Health Organisation licence contributed to the Global Pandemic Influenza Action Plan by supporting the transfer of production technology to developing country manufacturers and replaced the 2009 WHO licence granted by Nobilon.

Biodiem said the non-exclusive licence was designed to support wider distribution of the live attenuated influenza vaccine in developing countries and while public sector use was royalty-free, royalties would flow to Biodiem directly from private sector sales.

Earlier this year Biodiem licenced its live attenuated influenza virus vaccine technology to the China-based Changchun BCBT Biotechnology Co (BD: Feb 9, 2012).

Biodiem said the live attenuated influenza virus (LAIV) vaccine technology licence was for the Chinese private sector market for pandemic and seasonal influenza vaccines made using an egg-based production method.

Biodiem was unchanged at 8.3 cents.

BLUECHIIP

Bluechiip chief executive officer Brett Schwarz says Australia must follow the European model of bio-bank networks to make key advances in health and medical research.

In a media release Mr Schwartz said he told a Bio-Melbourne Breakfast on bio-banking that his company had a unique technology to track and monitor stored samples.

Mr Schwarz said bio-banks were crucial to medical research and were a significant opportunity, but the Australian bio-banking model had "many disparate and unconnected bio-banks and bio-repositories" and was far from ideal, preventing Australia from benefiting most from its position in biotechnology.

"There is no doubt that if Australian bio-banks and bio-repositories work in a collaborative way, enabling them to supply larger numbers of quality tissue samples to research organizations, research breakthroughs will be far more likely," Mr Schwarz said.

Mr Schwarz said Australia was following the US model, which was more concerned with dollars and not health.

"There are about 180 bio-banks in the US, many of which are commercial bio-banks," Mr Schwarz said. "There is no doubt the US lags behind other nations in setting up a national bio-bank or bio-banking networks and that is to its detriment."

"Conversely, in Europe, mainly Spain, Italy, France and Germany, the 400 or so bio-banks are largely research driven and consequently have been happy to link up," he said.

Mr Schwarz said the Victorian Cancer Biobank was the first Australian group to have followed the European model and industry needed Government support to operate on a global playing field.

He said the California Institute for Regenerative Medicine, headed by Australian Prof Alan Trounson received \$US3 billion for research from the Californian Government.

"Compare this to the \$21 million recently received by Stem Cells Australia from the Federal Government ... to be spent over a seven year period," Mr Schwarz said.

Bluechiip was untraded at 20 cents.

ACRUX

Allan Gray Australia, formerly Orbis Investment Management, has reduced its substantial holding in Acrux from 14,129,941 shares (8.49%) to 11,809,941 shares (7.09%).

Allan Gray said that it sold 2,320,000 shares between May 1 and May 3, 2012 for \$9,574,199 or an average price of \$4.12 a share.

Allan Gray (Orbis) has been reducing its holding and taking profit in Acrux since November 2010, when it sold 2,652,890 shares of its 29,731,141 share holding at an average price of \$3.06 a share (BD: Nov 4, 2010).

Prior to November 2010 Orbis last acquired 2,247,369 Acrux shares between July 18, 2008 and October 27, 2010 for \$2,037,837 or an average price of 90.7 cents a share.

Acrux was up three cents or 0.7 percent to \$4.15 with 2.65 million shares traded.

ACRUX

AMP and related bodies have become substantial shareholders in Acrux with the acquisition of 8,624,806 shares or 5.18 percent.

The initial substantial shareholder notice said the holders included AMP Life, as well as, AMP Capital Investors and Ipac Asset Management as investment managers for superannuation funds and trusts.

The shares were acquired in parcels ranging from \$4,052 to \$1,508,499, between January 18 and May 4, 2012.

ACRUX

Paradise Investment Management has become a substantial shareholder in Acrux with the acquisition of 10,460,036 shares or 6.28 percent.

The initial substantial shareholder notice said that most recently, between March 22 and May 2, 2012, the Sydney-based fund acquired 7,872,063 shares for \$31,453,793 or an average price of \$4.00 a share.

The notice said that the shares were held by National Nominees, JP Morgan Nominees and HSBC Nominees.

PHOSPHAGENICS

Phosphagenics says it has added the David Jones department store as an outlet for its Elixia range of cosmetics and the Bodyshaper anti-fat cream.

Phosphagenics said it had more than 600 shops selling its cosmetic products in Australia, including the two largest retail chains.

Phosphagenics was up one cent or 5.3 percent to 20 cents, with 1.5 million shares traded.