



# Biotech Daily

Monday May 26, 2008

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECHS DOWN:  
SUNSHINE HEART UP 13%; TISSUE THERAPIES DOWN 28%**
- \* **CSL'S DR BRIAN MCNAMEE TO HEAD FEDERAL INDUSTRY REVIEW**
- \* **BIOLAYER REPLACES CEO, ANNOUNCES REVIEW**
- \* **BIO-MELBOURNE NETWORK APPOINTS MICHELLE GALLAHER CEO**
- \* **BALYASNY INCREASES TO 7% OF PRANA**
- \* **COPULOS TAKES 19% OF HEALTHLINX**
- \* **BIO-MELBOURNE WORKSHOPS EARLY STAGE TRIAL PLANNING**
- \* **SOLAGRAN ISSUES 30.4m SHARES**

## MARKET REPORT

The Australian stock market fell 1.0 percent on Monday May 26, 2008 with the All Ordinaries down 58.7 points to 5,807.5 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 17 fell, four traded unchanged and five were untraded.

Sunshine Heart was best, up 0.8 cents or 13.11 percent to 6.9 cents on moderate volumes, followed by Living Cell up three cents or 8.57 percent to 38 cents, Psivida up 8.33 percent to 13 cents and Antisense up 8.22 percent to 7.9 cents.

Heartware, Impedimed and Portland climbed more than five percent; Proteome was up 3.85 percent; Chemgenex, Cytopia and Mesoblast rose more than two percent; with Avexa, Circadian and Peplin up more than one percent.

Tissue Therapies led the falls down 0.2 cents or 16.67 percent to 10 cents on modest volumes, followed by Phosphagenics down one cent or 7.41 percent to 12.5 cents.

Alchemia and Polartech lost more than six percent; Biota, Cathrx, Clinuvel and Novogen fell more than five percent; Pharmaxis, Progen and Ventracor fell more than four percent; Acrux and Arana were down more than three percent; Optiscan shed two percent with Benitec, Cellestis and Resmed down more than one percent.

## PHARMACEUTICALS INDUSTRY STRATEGY GROUP

The Minister for Innovation, Industry, Science and Research Senator Kim Carr has appointed Dr Brian McNamee, to head the Pharmaceuticals Industry Strategy Group. Dr McNamee is the chief executive officer of Australia's largest pharmaceutical company, CSL, formerly the Commonwealth Serum Laboratories.

Senator Carr has released the terms of reference for the Group, which is expected to develop a plan to attract investment in research and development, clinical trials and manufacturing activity in Australia.

"The Strategy Group will examine the drivers and barriers to attracting new internationally competitive and sustainable manufacturing and R&D investment in the pharmaceuticals sector," Senator Carr said. "It will present a draft report to me by September and a final report by the end of the year," he said.

"Key industry and union leaders will work with the Government to develop the strengths that Australia has already carved out in early-stage clinical trials and specialized manufacturing," Senator Carr said. He said it was "imperative that industry, workers and government join together to create an operating environment where it makes good business sense for international firms to invest in Australia".

Members of the Group will be drawn from all segments of the bio-pharmaceuticals industry, with leaders from the pharmaceuticals, biotechnology and generic medicines industry asked to participate, along with union representatives.

The chief executives of Medicines Australia, Ausbiotech and the Generics Medicines Industry of Australia will be members of the Group.

The Department of Innovation, Industry, Science and Research's head of innovation Craig Penniford will co-chair the Strategy Group.

Under its terms of reference Senator Carr has commissioned the Group to develop a strategic plan to increase investment in pharmaceuticals research and development and manufacturing in Australia over the next decade.

"The Australian pharmaceuticals industry is defined as all those who contribute to the discovery, creation and supply of pharmaceutical products and services, including prescription medicines and vaccines," a Federal Government media release said. It encompasses research, clinical trials and pharmaceutical manufacturing and includes the originator medicine, the generic medicine and the medical biotechnology sectors. The media release said the pharmaceuticals industry was highly globalized and in a period of global rationalization that will impact on the sustainability of the Australian industry.

The Pharmaceuticals Industry Strategy Group will examine the drivers and barriers to increasing productive investment in research and development, clinical trials and manufacturing activity in Australia, including regulatory and reimbursement systems. It will identify strategies to overcome impediments and capitalize on the opportunities to attract investment that builds on Australia's competitive strengths and identifies the actions that industry and Government should take to increase manufacturing activity and investment in manufacturing infrastructure and increase research and development activity and investment in research and development infrastructure.

The Group will provide a well reasoned business case for how any proposed actions will attract internationally competitive and sustainable research and development, clinical trials and manufacturing investment to Australia together with an implementation timetable and key performance indicators and explain how the actions would make a net economic and/or social contribution to Australia by 2020.

A draft directions paper is expected by September 30, 2008 and a final report by December 31, 2008.

## [BIOLAYER](#)

Biolayer has replaced its chief executive officer David Beins with the company's founder Dr Joe Maeji.

The company said chief executive officer David Beins would resign "due to personal reasons".

Dr Joe Maeji has been appointed as interim chief executive officer.

Prior to forming Biolayer, Dr Maeji was head of research for Mimotopes director for small molecule drug discovery for Chiron.

Dr Maeji's remuneration package includes a salary of \$178,600 a year plus superannuation annual leave of four weeks.

The board will determine a performance bonus structure.

Biolayer says its recent recapitalization led to additional board appointments and a strategic review.

The review will assess and define the company's scientific platforms and products, the market size, collaborations and intellectual property commercialization strategies.

Biolayer chairman Bruce Rathie said management was "keenly focused on ... creating and selling high value assays, combined with the desire to commence shorter term income generation potentially through the sale of its more commodity based diagnostic products".

Dr Maeji and the head of product development and research Dr Nevin Abernethy will be responsible for driving the revised strategy including achieving appropriate commercial outcomes for the company's intellectual property platforms.

Biolayer fell 0.8 cents or 16.0 percent to 4.2 cents.

## [BIO-MELBOURNE NETWORK](#)

The Bio-Melbourne Network has appointed Michelle Gallaher as chief executive officer, effective from the end of June 2008.

The industry organization said Ms Gallaher had worked in major teaching hospitals, private and publicly-listed biotechnology companies as well as medical research and the pharmaceutical industry.

Ms Gallaher's most recent role was as public affairs director for the Australian Stem Cell Centre.

Bio-Melbourne Network chairman Dr John Raff said Ms Gallaher was a "recognized leader and advocate within the research and biotech industry".

Ms Gallaher takes over from the founding chief executive officer Tim Murphy who has been appointed as innovation advisor to Federal Minister for Innovation, Industry, Science and Research Senator Kim Carr.

## [PRANA](#)

Balyasny Asset Management has increased its substantial shareholding in Prana from 9,263,507 shares (5.06%) to 12,836,682 shares (7.0%).

Balyasny cites a main address of New York with related entities including Dimitri Balyasny based in Chicago as well as Matthew Siclari and Atlas funds based in Chicago and the Cayman Islands.

The change in holding relates to Prana's \$7 million placement last week (see Biotech Daily; May 21, 2008).

Prana was untraded at 43 cents.

### HEALTHLINX

The Copulos Group has increased its substantial shareholding in Healthlinx from 11,064,200 shares (14.6%) to 15,634,200 shares (19.2%).

The Copulos Group is associated with Healthlinx director Stephen Copulos and includes Eyeon Investments, Copulos Superannuation, Ollies Family Restaurants and Supermax. It is based in Shepparton in rural Victoria.

The change in holding relates to Healthlinx rights issue (see Biotech Daily; May 16, 2008). Healthlinx fell 0.1 cents or 2.6 percent to 37.5 cents.

### BIO-MELBOURNE NETWORK

The Bio-Melbourne Network's June 12 workshop will host an expert panel discussing pre-clinical and early phase trial management.

Bio-Melbourne says that in the past six years the number of companies with products in clinical development has increased by 2000 percent and it is important "that managers plan their development strategies with later stage milestones in mind, clearly understand the regulatory requirements and have clear plans to manage their service providers".

RDDT research director, Dr Peter Tapley will present on the key aspects of pre-clinical planning and management, including regulatory requirements for preclinical studies for the Australian Therapeutic Goods Administration and US Food and Drug Administration as well as the planning of outsourced pre-clinical studies.

Dr Tapley has previously worked for Glaxosmithkline in oncology drug discovery and development.

RDDT is part of RMIT Drug Discovery Technologies and is owned by the Royal Melbourne Institute of Technology University.

Nucleus Network general manager, Lisa Nelson and chief commercial officer, Craig Rogers will present on early phase clinical trial planning and management, including the following: technical considerations and operational and management decision making.

The panel will discuss the issues that managers should consider when framing their development strategies.

The workshop will be held from 8:45am to 12:30pm, followed by a light luncheon at RMIT University's Seminar rooms 3 and 4, Level 7, Building 16, 336-342 Swanston St, Melbourne and will cost members \$350 each and non-members \$800 each.

For more information visit [www.biomelbourne.org](http://www.biomelbourne.org) or contact Shane Hickey via email at: [shickey@biomelbourne.org](mailto:shickey@biomelbourne.org) or telephone: +613 9650 8800.

### SOLAGRAN

Solagran will issue 30,381,540 ordinary shares from the exercise of unlisted options and the final payment of contributing shares.

The unlisted options had an exercise price of 20 cents and the final payment on the contributing shares was five cents a share.

Solagran has 162,187,786 ordinary shares and 46,890,002 contributing shares on issue including the shares above.

Solagran fell 0.1 cents or 2.6 percent to 37.5 cents.