



# Biotech Daily

Tuesday December 1, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **NOVEMBER BDI-40 UP 6.8%, ASX200 UP 1.3%; BDI-40 UP 155% FOR YEAR**
- \* **TODAY: ASX, BIOTECH UP: AVEXA UP 6%; LABTECH DOWN 8%**
- \* **AXING COMET**
  - **SENATOR ERIC ABETZ: 'JUST RE-INTRODUCE COMMERCIAL READY'**
  - **AUSBIOTECH'S DR ANNA LAVELLE: 'AN EFFECTIVE PROGRAM LOST'**
- \* **PROGEN APPOINTS DR JOHN CHIPLIN INTERIM CEO**
- \* **NOVOGEN LOSES CEO CHRIS NAUGHTON; DAVID SEATON ACTING CEO**
- \* **PRIMA SHARE PLAN RAISES \$11m**
- \* **FREIBURG UNI SPENDS \$600k ON COMPUMEDICS NEW KIT**
- \* **PATRY'S RELEASES 11.3m ESCROW SHARES**
- \* **GENERA APPOINTS TONY PANTHER CFO**

## MARKET REPORT

The Australian stock market was up 0.4 percent on Tuesday December 1, 2009 with the S&P ASX 200 up 17.7 points to 4719.0 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and three were untraded. All three Big Caps were up.

Avexa was best, up one cent or 5.88 percent to 18 cents with 4.2 million shares traded, followed by Alchemia up 5.65 percent to 65.5 cents and Living Cell up 5.6 percent to 28.5 cents.

Chemgenex and Phosphagenics climbed more than four percent; Cellmid and Patry's were up more than three percent; Optiscan, Pharmaxis, Prana and Psivida rose more than two percent; with Cochlear, QRX and Starpharma up more than one percent.

Labtech led the falls, down one cent or 8.3 percent to 11 cents with 100,000 shares traded followed by Phylogica down 4.35 percent to 11 cents and Universal Biosensors down four percent to \$1.68.

Biota, Impedimed, Novogen and Prima were down more than three percent; Sunshine Heart and Viralytics shed more than two percent; with Genera down 1.25 percent.

## [BIOTECH DAILY TOP 40 INDEX](#)

The gap continues to widen between the Biotech Daily Top 40 Index (BDI-40) - up 6.8 percent for November – and the S&P ASX200 up 1.3 percent for the month.

Last month, the BDI-40 numerically surpassed the ASX200 for the first time and this month the gap widened significantly with the ASX200 at 4701 and the BDI-40 at 5047.

For the year to November 30, 2009, the ASX200 was up 25.6 percent, but the BDI-20 was up 179.5 percent and the broader BDI-40 was up 154.5 percent.

The three Big Caps of CSL, Cochlear and Resmed (which are not included in the BDI indices) continue to disappoint, collectively down 0.8 percent in November and down 5.2 percent for the year, mainly reflecting CSL's falling value.

In November, 19 of the Top 40 companies climbed and 17 fell. Twelve rose more than 10 percent, six were up more than 20 percent, with just four down by more than 10 percent.

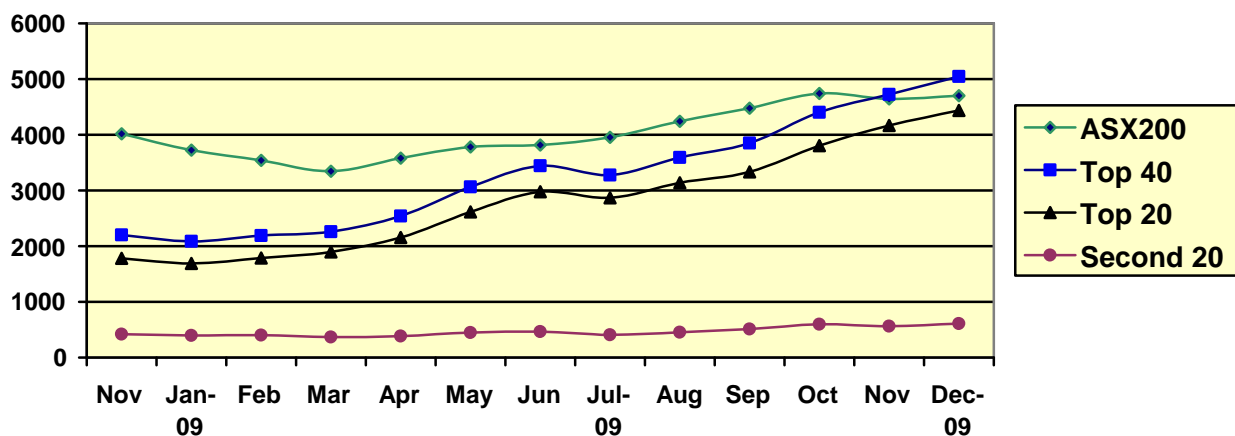
Viralytics was best from a low base, up 55.5 percent to a market cap of \$14 million, followed by Mesoblast up 40.6 percent to \$201 million, Nanosonics (34.0%), Tissue Therapies (30.8%), Acrux (28.0%), Bionomics (20.7%), Sirtex (19.1%), Phylogica (19.0%), and Chemgenex (18.9%).

Novogen led the falls, down 17.7 percent to \$51 million, followed by Sunshine Heart (12.5%), Tyrian (11.1%) and Antisense (10.5%).

Biotech companies have raised \$83.8 million in November and more than \$426 million in the 12 months to November 30, 2009, not including institutional raisings.

There are significant changes to the Top 40 this month with Peplin merged into Leo Pharma and Cytopia about to become part of YM Biosciences. Progen has been through board turmoil and Tyrian has been focused on agricultural testing. Genera Biosystems has been promoted to the Top 20, with QRX, Prima, Patrys and Cellmid joining the Second 20. The decision was not an easy one, with many Third 20 companies contending for the four places. Immuron, Neuren and Avita remain potential promotions.

Biotech Daily Top 40 (\$m) v S&P ASX 200 2008-09



## FEDERAL OPPOSITION

Federal Opposition Innovation spokesman Senator Eric Abetz has called for the reintroduction of the Commercial Ready program axed in the 2008 Federal Budget. Yesterday, the Federal Labor Government axed the \$14 million a year Commercialising Emerging Technologies (Comet) program.

In a media release entitled 'Commercialization help made simpler' the Minister for Innovation Senator Kim Carr said the Comet program would be "closed to new applications from January 1, 2010".

The Commercial Ready program, worth \$700 million over four years, provided funds for early stage development, required matching grants and was vetted by scientific advisory boards. It was axed in the May 2008 Budget and replaced by the Commonwealth Commercialisation Institute, rebadged as Commercialisation Australia, in the May 2009 Budget with a promise of \$82 million a year in on-going funding (BD: May 14, 2008; May 13, 2009).

"Senator Carr's continuing policy contortions are seriously damaging Australia's innovation industries," Senator Eric Abetz said.

"First, Senator Carr foolishly abolished the Howard Government's highly successful Commercial Ready program in Labor's first budget, offensively asserting he wasn't in the business of 'funding millionaires'."

"The 2009 Budget announced the establishment of the Commercialisation Institute," Senator Abetz said.

"Five months later that too was abolished and replaced by Commercialisation Australia, a move which one Government official described as being 'just a name change'," Senator Abetz said.

"Now just a month later we learn the Comet program is being abolished," he said.

"Senator Carr's constant chopping and changing will be death by a thousand cuts to Australian innovation," Senator Abetz said.

## AUSBIOTECH

Ausbiotech chief executive officer Dr Anna Lavelle says simplicity is welcome but not at the cost of effective programs that support innovation.

"Decreasing complexity and streamlining programs is always positive as long as the long term goal of enhancing Australia's innovation effort is also achieved," Dr Lavelle said.

Yesterday, in axing the Comet program, Innovation Minister Senator Kim Carr said "assistance for commercializing Australian innovation will be simplified through Commercialisation Australia".

Dr Lavelle said the details of the Commercialisation Australia program were "still not available ... so it is impossible to say how well the large number of high-tech sophisticated companies in the biotechnology and medical technology sectors will be served".

"It appears from material provided by Government to date, that new companies may indeed benefit but it remains opaque how the bulk of companies will be assisted," Dr Lavelle said.

"The loss of another support program which has proved to be well regarded by industry and acknowledged as effective, is also disappointing," Dr Lavelle said.

"It reminds us of the 2008 Budget that saw the loss of another highly regarded industry support program, Commercial Ready," she said.

"Industry welcomes simplicity but at the end of the day access to capital is what will make the critical difference for innovative companies," Dr Lavelle said.

## PROGEN PHARMACEUTICALS

Progen has appointed director Dr John Chiplin as interim chief executive officer, effective immediately.

Progen said Dr Chiplin had 25 years experience across the life science and technology industries, most recently as managing director of Arana Therapeutics.

Progen chairman Stuart James said Dr Chiplin's extensive experience in the Australian and international biotechnology industries would be an invaluable asset to the company.

The company said Dr Chiplin became a non-executive director on July 1, 2009, and his re-election as director was overwhelmingly ratified by shareholders yesterday at the annual general meeting.

All resolutions to the meeting were passed overwhelmingly.

Progen said Dr Chiplin would remain a director, predominantly based in Brisbane.

The company said an international search had begun for a permanent chief executive officer.

Dr Chiplin holds a PhD in biochemistry and is a member of the Royal Pharmaceutical Society.

Dr Chiplin has been a director of Domantis, Cognia and ITI Life Sciences and is a non-executive director of Science Media Inc.

Progen fell five cents or 8.6 percent to 53 cents.

## NOVOGEN

Novogen says chief executive officer and managing director Christopher Naughton "will cease his employment with the company from today".

The company said Mr Naughton's position as chief executive officer of Novogen's 70 percent US subsidiary Marshall Edwards was also terminated today

Novogen said chief financial officer David Seaton would be acting chief executive officer of Novogen until a permanent chief executive officer was found for Marshall Edwards and then a permanent appointment would be sought for Novogen.

Novogen chairman Philip Johnston said "a world-wide search for a new CEO of Marshall Edwards with drug development and clinical oncology experience together with a track record of fund raising in the US capital markets is being initiated".

Novogen said Mr Naughton had been with the group for 13 years.

"Over the past few years, the focus of the Group and its principal subsidiary, Marshall Edwards, has moved towards oncology drug discovery and development," Mr Johnston said.

"Due to the high priority of current and future clinical programs, the board considers the new appointment of a CEO dedicated to Marshall Edwards is required to implement this strategy," he said.

Novogen fell 1.5 cents or 3.0 percent to 48 cents.

## PRIMA BIOMED

Prima says its share plan has raised \$11,256,108 through the issue of 80,401,244 shares at 14 cents a share.

Prima fell half a cent or 3.3 percent to 14.5 cents with 6.3 million shares traded.

## [COMPUMEDICS](#)

Compumedics says the University Medical Center in Freiburg, Germany will pay \$600,000 for its Neuvo long-term electro-encephalograph monitoring system.

Compumedics said that installing the Neuvo system in the University Medical Centre's epileptology (epilepsy) center marked the launch of its Neuvo long-term electro-encephalograph monitoring (LTM) system.

The company said the market opportunity for the device in the US was more than \$300 million a year and in Europe was more than \$250 million a year.

The company said the Freiburg contract's \$600,000 would be paid in incremental revenues and was a major milestone for Neuvo LTM system.

Compumedics said the University Medical Center was the teaching hospital within the University of Freiburg, which was "considered to be one of Europe's most prestigious universities".

Compumedics said the Neuvo LTM system incorporated the industry gold-standard Compumedics Neuroscan Curry source-reconstruction software and the Compumedics Nexus clinical enterprise system.

Compumedics said it was strengthening its Neuvo LTM system distribution in Europe. Compumedics was unchanged at 19 cents.

## [PATRYS](#)

Patrys says 11,300,000 shares held in voluntary escrow will be released on December 3, 2009.

Following the release, Patrys will have 184,298,221 shares available for trading on the ASX.

Patrys was up 0.5 cents or 3.6 percent to 14.5 cents.

## [GENERA BIOSYSTEMS](#)

Genera has appointed Tony Panther to the newly-created position of chief financial officer, effective immediately.

Genera said Mr Panther had more than 20 years of "financial leadership experience" in a number of industries, including biotechnology, information technology, utilities, financial services and public accounting.

Most recently he was finance manager and company secretary for Cogstate.

Genera said Mr Panther had qualifications in commerce and law.

Genera fell one cent or 1.25 percent to 79 cents.

## BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

<b>Company \$Am</b>	<b>Dec-09</b>	<b>Nov-09</b>	<b>Oct-09</b>
Cochlear	3,566	3,629	3,753
CSL	18,871	19,080	20,012
Resmed	4,174	4,117	3,846
<b>Top 20</b>			
Acrux	389	304	272
Alchemia	100	105	92
Antisense	34	38	29
Avexa	116	119	78
Bionomics	111	92	75
Biota	546	492	478
Cellestis	326	336	324
Chemgenex	252	212	208
Clinuvel	91	94	102
Genera	44	45	42
Heartware	402	418	347
Impedimed	86	79	67
Living Cell	71	79	62
Mesoblast	201	143	140
Novogen	51	62	75
Pharmaxis	532	554	523
Phosphagenics	53	57	64
Sirtex	392	329	270
Starpharma	133	118	118
Universal Biosensors	275	266	210
<b>Second 20</b>			
Benitec	15	16	17
Bone Medical	19	19	15
Cathrx	46	42	28
Cellmid	10	7	6
Circadian	31	33	35
Compumedics	31	28	30
Genetic Tech	19	21	21
Labtech	12	13	15
Nanosonics	126	94	96
Optiscan	12	11	13
Patrys	26	20	26
Phylogica	25	21	22
Prana	42	42	55
Prima	82	86	91
Psivida	73	68	91
QRX Pharma	65	82	69
Sunshine Heart	21	24	25
Tissue Therapies	17	13	16
Uscom	32	31	32
Viralytics	14	9	10

\* Biotech Daily editor, David Langsam, owns shares in Alchemia, Avexa, Chemgenex, Cytopia, Impedimed, Neuren and Optiscan, as well as non-biotechnology stocks. Through Australian Ethical trusts, he has an indirect interest in Cochlear, CSL, Genera and Pharmaxis. These holdings are liable to change at any time.

Biotech Daily can be contacted at: PO Box 5000, Carlton, Victoria, Australia, 3053  
email: [editor@biotechdaily.com.au](mailto:editor@biotechdaily.com.au) [www.biotechdaily.com.au](http://www.biotechdaily.com.au)