



Biotech Daily

Thursday December 3, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: UNIVERSAL BIO UP 11%; GENETIC TECHNO DOWN 10%**
- * **BIOTECH SHARES IN \$30m FEDERAL ARC GRANTS; MONASH WINS \$1.5m**
- * **BIOPHARMICA RAISES 'ABOUT \$12m'**
- * **US FDA FAST-TRACKS VIRAX LICENCEE**
- * **CORRECTION: ADVANCED SURGICAL**
- * **KARMELEX SIGNS INDIA DISTRIBUTOR**

MARKET REPORT

The Australian stock market was up 0.3 percent on Thursday December 3, 2009 with the S&P ASX 200 up 12.2 points to 4774.6 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, five traded unchanged and eight were untraded.

Universal Biosensors was best, up 19 cents or 10.9 percent to \$1.93 with 47,590 shares traded, followed by Prima up 1.5 cents or 10.7 percent to 15.5 cents with 4.6 million shares traded.

Labtech climbed 9.1 percent; Impedimed was up 6.7 percent; Phosphagenics was up 5.3 percent; Cellestis, Bionomics and Viralytics were up more than four percent; Cochlear and Tissue Therapies were up more than three percent; Alchemia and Pharmaxis rose more than two percent; with Clinuvel, Mesoblast, Optiscan and Resmed up more than one percent.

Genetic Technologies led the falls, down 0.5 cents or 10 percent to 4.5 cents with 258,132 shares traded, followed by Avexa down one cent or 5.3 percent to 19 cents with 1.35 million shares traded

QRX lost 4.1 percent; Cellmid, Living Cell and Patrys were down more than three percent; Acrux and Prana shed more than two percent; with Genera down 1.3 percent.

AUSTRALIAN RESEARCH COUNCIL GRANTS

The Minister for Innovation Senator Kim Carr says 71 research projects will share more than \$30 million from the Linkage Infrastructure, Equipment and Facilities scheme.

A media release from the Minister said the scheme provided funding for large-scale cooperative initiatives so that expensive infrastructure, equipment and facilities could be shared by researchers in partnered organisations.

Monash University said it received more than \$1.5 million from the Australian Research Council grants.

Monash University said five applications it led were successful with the largest a \$500,000 grant to fund a bimolecular small angle X-ray scattering facility to assist in the investigation of areas such as gene regulation, immunity and fertility.

Other Monash-led proposals were \$440,000 to build a time-resolved tomographic particle image velocimetry facility to better understand turbulent flows and the dynamics of solid structures; \$250,000 for an electron microscopy cryo-preparation facility which will enable cell and molecular biologists and material scientists to prepare samples to use when visiting the Australian Synchrotron; \$200,000 to develop a national magneto-chemical facility to improve the study of nano-magnetic materials for smart cards and memory devices; and \$175,000 to fund ultra-high frequency non-contact vibrometry equipment for bio-microfluidics metrology which will vibrate at one billion cycles per second to enhance the rapid development of new drugs.

Monash University said it was a collaborating partner in 15 other Linkage Infrastructure, Equipment and Facilities (LIEF) grants.

Senator Carr said research infrastructure was “the bedrock of good research and a robust innovation system”.

“The Australian Government is supporting collaborative research arrangements to ensure that researchers ... have access to the infrastructure, equipment and facilities to carry out high-quality research,” Senator Carr said.

The Government media release said funding would commence in January 2010.

The LIEF scheme is part of the Australian Research Council’s National Competitive Grants Program.

The media release said applications for funding were subject to a rigorous, independent peer review. A summary of the funding is at www.arc.gov.au/ncgp/lief/lief_outcomes.htm.

VIRAX HOLDINGS

Virax says the US Food and Drug Administration has granted licencee Transgene SA fast track status for TG4010 treatment of non-small-cell lung cancer.

Virax said the France-based Transgene’s TG4010 uses Virax’s Co-X-Gene technology, Virax said it would benefit from milestone and royalty payments when Transgene achieves relevant development milestones and sale of product.

Virax chief executive officer Dr Larry Ward said the granting of fast-track status for TG4010 was “significant for the potential future success of the product”.

“This recognition by the FDA confirms the importance of the product in a very large market area of unmet medical need,” Dr Ward said.

“Peak sales for such a [non-small-cell lung cancer] product have been estimated at over \$US1 billion per annum,” Dr Ward said. “The fast track status will also shorten the time required for TG4010 to reach the market”.

Virax said its Co-X-Gene sub-licence provided for a percentage of milestone money received by Transgene to be paid to Virax.

Virax was up 2.5 cents or 52.1 percent to 7.3 cents with 7.9 million shares.

BIOPHARMICA

Biopharmica says "a total of 100 percent of the current share capital has been placed raising approximately \$12 million before associated expenses".

In its notice of general meeting last month Biopharmica said a maximum of 95,982,330 shares would be issued at the lower of 12.5 cents or 80 percent of the average market price calculated over the five days before the day of issue was made (BD: Nov 24, 2009). Biopharmica said Claymore Capital acted as the lead broker in the capital raising. The placement is subject to shareholder approval at the December 24, 2009 general meeting.

Biopharmica was unchanged at 14.5 cents.

CORRECTION: ADVANCED SURGICAL DESIGN & MANUFACTURE

Last night's edition reported Advanced Surgical's Active Knee class III Conformité Européenne (CE) Mark approval and Greek distributor appointment.

The article cited a previous announcement that Advanced Surgical sold the intellectual property associated with the Active Knee to Stryker for \$3 million (BD: Oct 30, 2009).

The device sold to Stryker was the Active Unicompartmental Knee which is a different device to the Active Knee, which remains Advanced Surgical's property and has been supplied to six hospitals with implants completed successfully.

Biotech Daily was unable to clarify the issue last night, but today Advanced Surgical's chief executive officer Greg Roger said Stryker had bought the rights to the Active Unicompartmental Knee but his company held the rights to the Active Knee.

Mr Roger said the Greek distribution deal was "already revenue positive" but declined to forecast revenues for the device.

Biotech Daily apologizes for the confusion and the sub-editor will be knee-capped if there is a repeat occurrence.

Advanced Surgical climbed one cent or 1.7 percent to 60 cents.

KARMELSONIX

Karmelsonix says it has its first major order from India for its asthma management products.

Karmelsonix said it had signed Sapco Laboratories to distribute the diagnostics in Southern India and Sri Lanka and said Sapco had ordered more than 100 Wheezometers, Pulmotracks and Wholters.

Karmelsonix said Sapco distributed medical products to hospital and primary care operators, had experience in the respiratory area and a 140-strong sales force.

Karmelsonix vice-president of sales and marketing Paul Eisen said India was an early focus "because we recognize the prevalence of respiratory diseases is significant in this population of 1.1 billion".

"The four states of Southern India alone cover 250 million people and we know asthma is increasing here," Mr Eisen said.

Karmelsonix was untraded at five cents.