



# Biotech Daily

Monday June 1, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **MAY BDI-40 UP 11%; ASX UP 0.98%; SIX MONTHS OF BIOTECH GROWTH**
- \* **TODAY: ASX UP, BIOTECH EVEN; ACRUX UP 12%, TYRIAN DOWN 13%**
- \* **CEPHALON HAS 80% OF ARANA; EXTENDS OFFER TO JUNE 15**
- \* **IMMURON EGM TO VOTE ON HADASIT COLLABORATION, PLACEMENTS**
- \* **\$US6m CONVERTIBLE NOTE IMPACTS VIRALYTICS' OPTION OFFER**
- \* **ORBIS TAKES 10% OF CHEMGENEX**
- \* **BOX HILL BIO-SKILLS HOLDS MANAGEMENT GMP, GLP COURSES**
- \* **STUDENTS IN SCIENCE OLYMPIAD BATTLE**
- \* **BIOTECH DAILY TOP 40 WITH MARKET CAP**

## MARKET REPORT

The Australian stock market climbed 2.0 percent on Monday June 1, 2009 with the S&P ASX 200 up 76.4 points to 3,894.4 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, seven traded unchanged and three were untraded.

Acrux was best, up 14 cents or 11.57 percent to \$1.35 with 599,668 shares traded, followed by Phosphagenics up 10.7 percent to 15.5 cents.

Prana climbed 8.6 percent; Nanosonics was up 6.1 percent; Chemgenex climbed 5.7 percent with 3.4 million shares traded of which 1.98 million were in a 'crossing' just before the market closed; Cytopia was up 5.3 percent; Psivida climbed 4.4 percent; Alchemia, Clinuvel and Mesoblast rose more than two percent; CSL, Genera, Pharmaxis and Progen were up more than one percent; with Sirtex and Novogen up by less than one percent.

Tyrian led the falls, down 0.4 cents or 13.3 percent to 2.6 cents with 1,900 shares traded, followed by Cathrx down 9.1 percent. Genetic Technologies fell 8.5 percent; Benitec was down 6.7 percent; Bionomics lost 5.9 percent; Biota and Starpharma fell more than four percent; Impedimed was down 3.7 percent; Living Cell, Optiscan, Peplin, and Tissue Therapies shed more than two percent; with Arana, Cellestis and Resmed down more than one percent.

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

This month's Biotech Daily Top 40 v S&P ASX chart (below) showing six consecutive months of growth is worth a close look.

Biotech Daily is skeptical of "chartists" using price and volume flows to pick winners, but the trend is incontestably upward with the Biotech Daily Top 20 Index (BDI-20) up 93.1 percent for the six months to May 31, 2009, with a slower positive rate for the Second 20.

For the 12 months to May 31, 2009 the BDI-20 was up 23.0 compared to the S&P ASX 200 falling 32.5 percent.

In the month of May, the BDI-20 was up 11.7 percent, the Second 20 was up 7.4 percent giving the BDI-40 an 11.02 percent increase and the lower 60 were also positive. In the same period the S&P ASX 200 was up 0.98 percent. The increase follows the factoring-in of the takeover bids for Arana and Heartware. One respected analyst told Biotech Daily last week that the biotech run was over. Sorry. We don't think so.

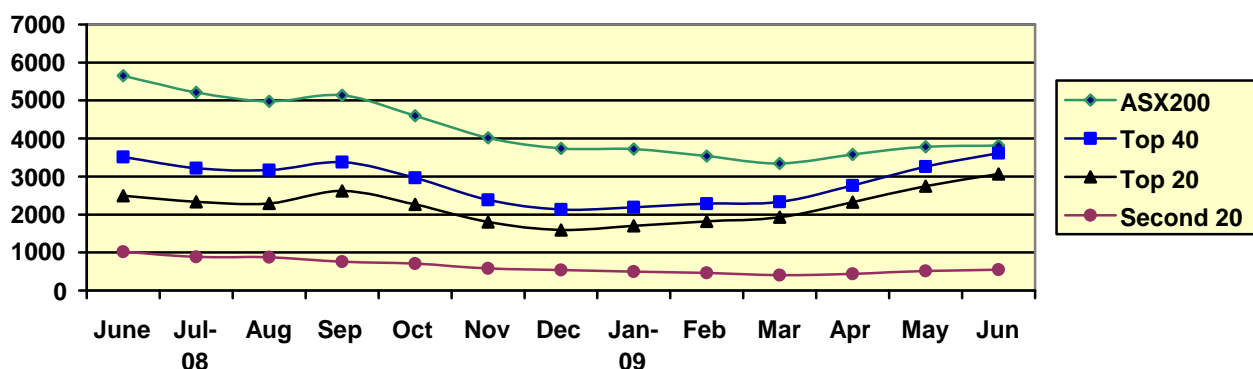
The three Big Caps (which are not in the BDI-40) fell 12.9 percent in May, dragged down by CSL's 15.7 percent fall to \$17.5 billion on the Talecris deal. Resmed fell 13.25 percent but Cochlear climbed 7.9 percent to \$3.0 billion.

Twenty-two Top 40 companies were up, 16 fell and two were unchanged. Nanosonics' 142.4 percent jump was primarily due to the ASX's inability to include 92,235,861 escrowed shares in its data. Progen's \$45 million or (69.2%) fall to \$20 million mostly reflects its \$40 million buy-back.

Avexa led the pack, up 107.1 percent on a series of announcements. Acrux was up 95.8 percent to \$188 million, followed by Novogen (78.7%) after a helpful blog by former CEO Dr Graham Kelly, Bone (63.6%), Genetic Technologies (58.8%), Genera (50%), Universal Biosensors (43.7%), Chemgenex (40.6%), Benitec (37.5%), Starpharma (26.9%), Clinuvel (26.1%), Phylogica (25%), Optiscan (20%) and Pharmaxis (15.5%).

Cytopia led the falls, down 30 percent to \$7 million, followed by Sunshine Heart (25%), Cathrx (20.7%), Phosphagenics (17.7%) and Labtech (13.3%). Among the stocks outside the Top 40, Avita was up 37.5 percent and Compumedics rose 31.6 percent.

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



### ARANA

Cephalon has extended its takeover offer for Arana to 7pm on June 15, 2009. Separately, Cephalon said the acceptances for its offer increased from 171,106,871 shares (75.05%) to 182,413,493 shares (80.01%) on May 29, 2009. Cephalon has until June 15 to receive a further 9.99 percent of investor acceptances to reach the 90 percent level required for compulsory acquisition. Arana fell 1.5 cents or 1.08 percent to \$1.39.

### VIRALYTICS

Viralytics says the offer of a \$US6 million (\$A7.4 million) two-year convertible note has forced changes to its option rights offer to raise \$3 million (BD: Apr 22, 2009). Viralytics said the offer period closed today but it would amend the offer so the issue price remains at one cent per option but the exercise price has been reduced from four cents to three cents and the company has removed the minimum subscription provision from the offer. Previously the offer was hoped to raise up to \$3 million through the application for 302,138,460 one cent options, which on conversion would raise a further \$12.1million. At an exercise price of three cents per option the company could raise up to \$9,075 million. Viralytics said the \$US6 million convertible note was from "a third party unrelated to the company". Viralytics was unchanged at 3.6 cents.

### IMMURON

Immuron investors will vote on the prior allotment of 16,723,179 shares along with 36,127,820 shares to Israel's Hadasit Medical Research and for a placement. The prior allotment was to a range of investors including 9,017,229 shares to Alaven Consumer Healthcare in December 2008 and March 2009, along with smaller parcels of shares to a range of investors on November 10, 2008. Immuron said the resolution to approve the issue of 36,127,820 shares to Hadasit was part of the collaboration to develop an antibody-based oral immune modulation technology (BD: April 21, 2009). Hadasit would hold 19.99 percent of Immuron after the issue. A further 35,000,000 shares is proposed to be issued to sophisticated and professional investors at not less than 90 percent of the volume weighted average sales price of the shares in Immuron calculated over the last five days prior to the date of issue. The meeting will be held at Middletons Solicitors, Level 25, South Tower, 525 Collins Street, Melbourne, on July 9, 2009 at 3.30pm. Immuron was unchanged at 3.6 cents.

### CHEMGENEX

Orbis Investment Management has increased its substantial shareholding in Chemgenex from 20,387,803 shares (7.75%) to 28,209,814 (9.99%). The increase was through participation in the company's recent rights issue and participation in the top-up facility and placement. Chemgenex was up three cents or 5.66 percent to 56 cents with 3.4 million shares traded.

### BOX HILL BIO-SKILLS SPECIALIST CENTRE

Box Hill Institute's Bio-Skills Specialist Centre is offering courses in quality management, good laboratory practice (GLP) and good manufacturing practice (GMP).

The Bio-Skills Centre said that in collaboration with the National Association of Testing Authorities it was offering an expanded range of short course training programs, in good laboratory practice, good manufacturing practice and two quality management courses June 22 and 25, 2009.

The two programs are the Implementation and Management of Laboratory Quality Systems and Internal Auditing to Improve Quality Management.

The Bio-Skills Centre said it focused on developing "a leading-edge approach to workforce development" in bio-processing; polymerase chain reaction and DNA analysis and other laboratory based skills; business supervisory and management skills; intellectual property protection and licencing; biotechnology commercialization, entrepreneurship and innovation; regulatory affairs; process and project management; and bio-manufacturing. Further information is available at [www.boxhillinstitute.edu.au/bioskills](http://www.boxhillinstitute.edu.au/bioskills).

### INTERNATIONAL SCIENCE OLYMPIAD

Merck Sharp and Dohme says Australia is one of 60 countries competing in the International Science Olympics in Japan Mexico and Britain.

Australian Science Innovations is running the Science Olympics which is sponsored by Merck Sharp and Dohme.

A Merck Sharp and Dohme media release said each discipline has around 80 teams competing, or 240 senior secondary or pre-university students.

Thirteen Australian Year 11 and 12 students will compete in competitions for biology in Tsukuba Japan, chemistry at Cambridge UK and physics in Merida, Mexico in July.

The media release said team members were chosen to represent Australia after a series of special classes, examinations, study sessions and an intensive summer school program at Monash University.

New South Wales has the highest representation with seven students with three students from Victoria, two from Western Australia and two from South Australia.

The executive director of Australian Science Innovations Toss Gascoigne said competing in the Olympiads was "a fantastic stepping stone that can lead students into glittering careers in the field of science".

Gardasil developer, Prof Ian Frazer, said that developing emerging young talent was "the key to building Australia's competitive scientific edge".

"It's essential that we nurture budding scientists and give them all the training and support they need to compete on the world stage. One of these students could discover a major medical breakthrough that has profound benefits for people throughout the world," Prof Frazer said.

The team for the Biology Olympiad is Mel Chen (Brighton Grammar School, Vic) Kristijan Jovanoski (Melbourne High School), James Woodmansey (Sydney Grammar School) and Thomas Brereton (North Sydney Boys High School).

The Chemistry Olympiad team is Fangzhi Jia (Northern Beaches Secondary College, NSW), Jason Kong (Christ Church Grammar School, WA), Bill Huang (Melbourne High School) and Kelvin Cheung (James Ruse Agricultural High School, NSW)

The Physics Olympiad team is Cathryn McDonald (Immanuel College, SA), Fiona Naughton (North Sydney Girls' High School), Christopher Herron (Gosford High School, NSW), Robert Holt (Christ Church Grammar, WA) and Thomas Lacy (Sydney Grammar).

## BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

<b>Company \$Am</b>	<b>Jun-09</b>	<b>May-09</b>	<b>Apr-09</b>
Cochlear	3,006	2,786	2,808
CSL	17,519	20,772	19,607
Resmed	3,488	4,021	4,022
<b>Top 20</b>			
Acrux	188	96	86
Alchemia	59	57	47
Arana	310	313	318
Avexa	87	42	40
Bionomics	65	61	56
Biota	240	257	105
Cellestis	278	269	203
Chemgenex	142	101	125
Cytopia	7	10	11
Heartware	289	306	301
Impedimed	63	62	58
Living Cell	43	43	26
Mesoblast	99	103	103
Novogen	84	47	51
Peplin	114	102	101
Pharmaxis	492	426	330
Phosphagenics	93	113	93
Sirtex	167	160	128
Starpharma	66	52	51
Universal Biosensors	181	126	93
<b>Second 20</b>			
Antisense	22	24	19
Benitec	11	8	7
Bone Medical	18	11	23
Cathrx	23	29	13
Circadian	36	38	31
Clinuvel	111	88	62
Genera	33	22	18
Genetic Tech	27	17	19
Labtech	13	15	13
Nanosonics	80	33	33
Optiscan	6	5	5
Phylogica	15	12	8
Polartechnics	26	29	25
Prana	39	41	39
Progen	20	65	46
Psivida	20	21	11
Sunshine Heart	15	20	20
Tissue Therapies	15	16	17
Tyrian	8	6	6
Viralytics	11	11	11

\* Biotech Daily editor, David Langsam, owns shares in Alchemia, Biota, Chemgenex, Cytopia and Stem Cell Sciences 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.

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