



Biotech Daily

Tuesday September 1, 2009

Daily news on ASX-listed biotechnology companies

- * **AUGUST BDI-40 UP 7.1%: BENITEC UP 90%, HEARTWARE 80%**
- * **TODAY: ASX UP, BIOTECH DOWN: GENERA UP 8%; BENITEC DOWN 21%**
- * **HEARTWARE, OCCUPATIONAL & MEDICAL SUSPENDED ON ACCOUNTS**
- * **AUSTRALIAN STEM CELL CENTRE FUND HAS \$1m FOR RESEARCH**
- * **UNILIFE TO LIST ON NASDAQ, MOVE TO US**
- * **PEPLIN REQUESTS 'CORPORATE TRANSACTION' TRADING HALT**
- * **VENTRACOR UNPLUGGED**
- * **RUSSIA-US COLLABORATION BENEFIT FOR BIODIEM**
- * **GEELONG INSURER COVERS KARMELSONIX PERSONAL WHEEZOMETER**
- * **BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION**

MARKET REPORT

The Australian stock market was up 0.79 percent on Tuesday September 1, 2009 with the S&P ASX 200 up 35.5 points to 4514.6 points.

Nine of the Biotech Daily Top 40 stocks were up, 18 fell, nine traded unchanged and four were untraded.

Genera was best, up five cents or 8.33 percent to 65 cents with 3,675 shares traded.

Mesoblast climbed 5.6 percent; Avexa and Cochlear were up by more than four percent, the former with 2.2 million shares traded; Alchemia rose 2.3 percent; with Acrux, Chemgenex and Nanosonics up more than one percent.

Benitec led the falls, down 1.1 cents or 21.15 percent to 4.1 cents with 3.4 million shares traded followed by Genetic Technologies down 18.0 percent to five cents.

Impedimed and Optiscan lost more than eight percent; Bionomics fell 7.7 percent; Tissue Therapies fell 6.7 percent; Cytopia and Psivida were down five percent or more; Novogen, Progen and Sunshine Heart shed more than four percent; Circadian was down 3.4 percent; Antisense and Prana shed more than two percent; with Uscom down 1.3 percent.

BIOTECH DAILY TOP 40 INDEX

Biotech Daily's Top 20 and Top 40 Indices continue to outperform the S&P ASX 200, with the BDI-40 up 7.1 percent in August compared to the ASX 200 up 5.5 percent.

The striking difference is that over the 12 months to August 31, 2009, the BDI-20 was up 34.1 percent, the BDI-40 rose 27.0 percent while the ASX 200 was still 12.8 percent below the same point in the previous year. Biotechs have more than recovered, while Australia's largest 200 companies have not.

For the month of August, 22 companies were up, 15 fell and three were unchanged.

Benitec was technically best from a low base, up 90 percent to a market capitalization of \$19 million, but the most significant rise was Heartware's 80.4 percent jump from the July 31, 2009 close following the failed Thoratec merger to last night's \$368 million which includes the \$US66 million raising and its escrowed shares, not counted in data provided by the ASX.

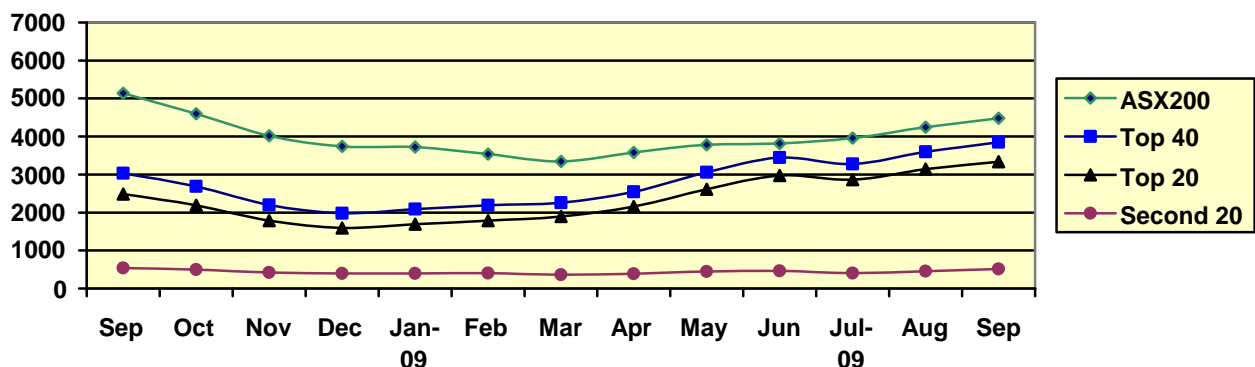
Also from a low base, Optiscan was up 60 percent for the month to \$8 million, followed by Cytopia (50%), Phylogica (45.5%), Compumedics (38.1%) and Starpharma (32.9%). Antisense, Bone, Genera, Prana, Psivida, Tissue Therapies and Universal Biosensors were up by more than 20 percent.

Tyrian led the falls down 37.5 percent to \$5 million, followed by Labtech (22.2%), Mesoblast (20.7%), Viralytics (20%) and Cathrx (17.4%).

The three Big Caps of Cochlear, CSL and Resmed, which are not included in the BDI-20 and BDI-40, recovered 6.1 percent in August but were down 15.9 percent for the year, mostly due to CSL's tumble in March 2009. Resmed was up 12.5 percent in August, CSL rose 5.7 percent, with Cochlear up 1.1 percent

Biotech companies have raised more than \$256 million since January this year and more than \$410 million since August 30, 2008, not including significant institutional raisings.

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



HEARTWARE, OCCUPATIONAL & MEDICAL INNOVATIONS

Heartware and Occupational & Medical have been suspended by the ASX for failing to lodge reports "in accordance with listing rules".

Heartware corporate development director Howard Leibman told Biotech Daily his company complied with its US Securities and Exchange Commission obligations, but failed to include an independent review of its accounts which would be provided within a few days.

Occupational & Medical filed its preliminary final report and expected to return to trading tomorrow.

Heartware last traded at 86 cents.

Occupational & Medical last traded at 14.5 cents.

AUSTRALIAN STEM CELL CENTRE

The Australian Stem Cell Centre says it has \$1 million in grants available for companies or academic researchers working stem cell research.

The Centre said its ASCC Strategic Development Fund was "designed to develop and accelerate projects in stem cell research towards a well-defined commercial, medical or academic goal.

The Centre said its intention was to identify and invest in early stage, stand alone projects, for the delivery of a definitive outcome, along with discrete projects that might have a short term commercial objective that would otherwise not be funded due to financial risk.

The Australian Stem Cell Centre said it also intended to identify and invest in those projects that might fall within existing conventional funding gaps and identify and invest in projects that might fall outside of an existing collaborative stream.

The proposed project may be carried out in collaboration with research already funded in the ASCC's collaborative streams provided there was no overlap or duplication with currently funded scientific aims.

Each grant could be up to a maximum of \$250,000 and would be allowed a maximum duration of 18 months, with funding to commence no later than December 1, 2009.

The closing date is September 29, 2009.

Questions concerning Strategic Development Fund should be emailed to science@stemcellcentre.edu.au or telephone +613 9271 1111.

PEPLIN

Peplin has requested a trading halt pending an announcement to the market "concerning a potential significant corporate transaction".

Trading will resume on September 3, 2009 or on an earlier announcement.

Peplin last traded at 60 cents.

VENTRACOR

Ventracor has been removed from the official list of the ASX.

The company was put into voluntary administration with Ferrier Hodgson, but administrator Steve Sherman was unable to sell it as a going concern and its assets have been sold.

It is believed that Ventracor raised more than \$200 million over its 16 year lifetime and developed a cardiac assist device which was approved and sold in Europe and was close to US Food and Drug Administration registration.

UNILIFE MEDICAL SOLUTIONS

Syringe manufacturer, Unilife Medical Solutions will merge with its wholly-owned US subsidiary Unilife Corp to redomicile to the US.

Unilife Australia said Unilife Corp would be the ultimate parent company, with investors exchanging their interests in Unilife Australia for equivalent interests in Unilife Corp.

Unilife said its business, operations, management and employees would “not materially change as a result of the proposed transaction”.

Unilife Corp (or Unilife USA) will replace Unilife Australia as the entity listed on the ASX and Australia shareholders will receive common stock or CHESS Depositary Interests (CDIs) in Unilife USA. Each CDI will be equivalent to two existing ordinary shares in Unilife Australia and six CDIs will be equivalent to one ordinary share in Unilife USA.

Unilife USA will seek a new listing on the Nasdaq to trade its common stock.

Unilife said the transaction is subject to approval by the Australian Federal Court as well as share and option holders.

The transaction will be conducted through two schemes of arrangement between Unilife Australia and its shareholders and option-holders.

Unilife USA will acquire all existing ordinary shares and options in Unilife Australia with the result that Unilife Australia will become a wholly-owned subsidiary of Unilife USA which will issue its shares and options to former Unilife Australia investors.

Unilife Australia shareholders will be entitled to elect to receive their Unilife USA shares either in the form of common stock or CDIs tradeable on ASX.

Unilife said that unless and until common stock was quoted on Nasdaq, there would not be any public market for the common stock. Shareholders who receive CDIs can exchange them for common stock at any time and vice versa.

To meet minimum Nasdaq price requirements there will be a one-for-12 consolidation.

Unilife said an information memorandum would be dispatched in late October 2009 and, assuming approvals move to the US by the end of 2009 or early 2010.

Unilife was up one cent or 1.5 percent to 69 cents with 1.6 million shares traded.

BIODIEM

Biodiem says its live attenuated influenza vaccine will receive further validation through a collaboration between Russia's St Petersburg Institute of Experimental Medicine and the Washington-based Program for Appropriate Technology in Health.

Biodiem said the Institute of Experimental Medicine was the originator of its live attenuated influenza vaccine technology and the collaboration with PATH was to develop a prototype pandemic LAIV for use in developing countries.

The head of virology at the Institute Prof Larisa Rudenko is a director of Biodiem.

Subject to milestones, PATH would provide up to \$US3.6 million.

Biodiem was up 4.5 cents or 39.1 percent to 16 cents.

KARMELSONIX

Karmelsonix says that private health insurer GMHBA will provide benefits to members who buy the company's Personal Wheezometer when it becomes available later this year.

Karmelsonix said production of the Wheezometer received Australian Therapeutic Goods Administration approval in May 2009 and the units should be available by the end of 2009.

Formerly known as the Geelong Medical and Hospital Benefits Association the insurer's website said it covered 26,000 memberships.

Karmelsonix was up 0.1 cents or 2.08 percent to 4.9 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Sep-09	Aug-09	Jul-09
Cochlear	3,162	3,128	3,234
CSL	19,441	18,391	19,402
Resmed	4,097	3,643	3,809
Top 20			
Acrux	210	190	181
Alchemia	71	60	57
Antisense	26	21	21
Avexa	72	78	78
Bionomics	66	63	53
Biota	353	328	209
Cellestis	346	343	290
Chemgenex	164	169	184
Clinuvel	97	97	85
Heartware	368	204	274
Impedimed	60	60	58
Living Cell	38	43	43
Mesoblast	123	155	113
Novogen	74	80	53
Peplin	182	190	160
Pharmaxis	495	519	517
Phosphagenics	76	86	90
Sirtex	256	250	187
Starpharma	93	70	70
Universal Biosensors	166	132	145
Second 20			
Benitec	19	10	9
Bone Medical	18	15	18
Cathrx	19	23	20
Circadian	34	34	33
Compumedics	29	21	22
Cytopia	9	6	6
Genera	32	25	28
Genetic Tech	23	24	17
Labtech	14	18	12
Nanosonics	89	88	78
Optiscan	8	5	5
Phylogica	16	11	12
Prana	49	38	25
Progen	16	18	21
Psivida	60	50	38
Sunshine Heart	16	18	15
Tissue Therapies	18	14	13
Tyrian	5	8	6
Uscom	30	28	31
Viralytics	8	10	10

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Chemgenex, Cytopia and Neuren 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 www.biotechdaily.com.au