



Biotech Daily

Wednesday December 1, 2010

Daily news on ASX-listed biotechnology companies

- * **BDI-40 EXTENDS LEAD OVER ASX200 FOR MONTH, YEAR, 4 YEARS
- CELLMID UP 100%, MESOBLAST UP 36%, ANTISENSE DOWN 37.5%**
- * **TODAY: ASX, BIOTECH FLAT; COMPUMEDICS UP 14%; VIRAX DOWN 10%**
- * **FEDERAL GOVERNMENT ARC LINKAGES INFRASTRUCTURE GRANTS**
- * **STEM CELL CENTRE CONGRATULATES REPLACEMENT**
- * **SIGNIFICANT OPPOSITION TO KARMELSONIX SHARES, OPTIONS**
- * **BIOPROSPECT RIGHTS ISSUE RAISES \$845k, EXPECTS \$1.77m**
- * **US, CHINA PATENTS FOR BIODIEM'S BDM-I ANTI-MICROBIAL**
- * **CBIO APPOINTS PROF TERJE KALLAND DIRECTOR**

MARKET REPORT

The Australian stock market edged up 0.05 percent on Wednesday December 1, 2010 with the S&P ASX 200 up 2.2 points to 4586.6 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and five were untraded.

Compumedics was best, up 1.5 cents or 14.3 percent to 12 cents with 13,000 shares traded, followed by Sirtex up 5.6 percent to \$5.83 with 45,905 shares traded.

Phosphagenics climbed 4.8 percent; Genetic Technologies was up 3.2 percent; Acrux, Chemgenex, Genera and Nanosonics rose more than two percent; with Alchemia, Heartware, Immuron, Pharmaxis and Universal Biosensors up more than one percent.

Virax led the falls, down 0.3 cents or 10.3 percent to 2.6 cents with 510,370 shares traded, followed by Prana down 7.1 percent to 13 cents with 24,000 shares traded.

Advanced Surgical lost 6.1 percent; Cellmid and Patrys fell more than four percent; Benitec, Living Cell and Tissue Therapies were down more than three percent, Clinuvel and Viralytics shed more than two percent; with Mesoblast down more than one percent.

[BIOTECH DAILY TOP 40 INDEX](#)

The four year chart says it all. The Biotech Daily Top 40 Index (BDI-40) climbed 59.2 percent in the 53 months from June 30, 2006, when the index was created, to November 30, 2010, while the ASX200 fell 9.6 percent in the same period.

From a cumulative market capitalization of \$3,563 million the BDI-40 (which does not include the three Big Caps of Cochlear, CSL and Resmed) hit its all time high of \$5,674 million – and that includes not adjusting the scale for the acquisitions of Arana and Peplin.

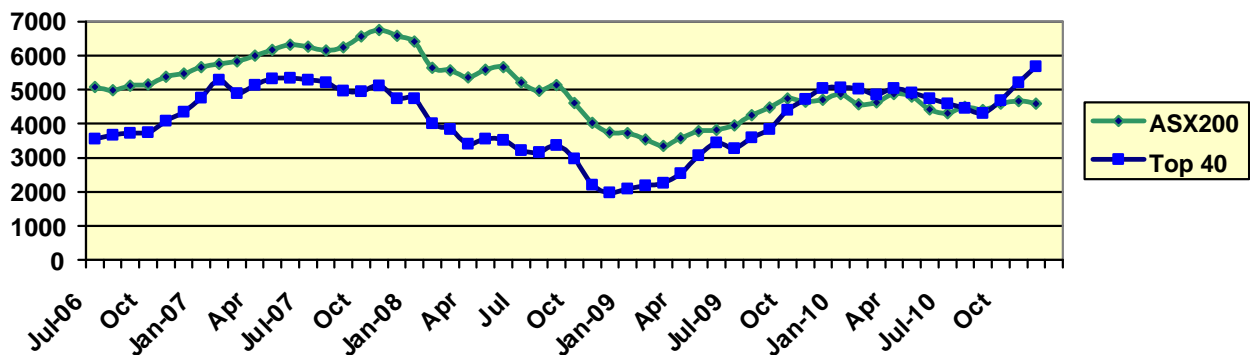
For the year to November 30 the BDI-40 was up 12.4 percent compared to the S&P ASX200 falling 2.5 percent. For the month of November the BDI-40 was up 8.9 percent compared to the ASX200 fall of 1.65 percent.

Cellmid was November's best up 100 percent to \$14 million, followed Mesoblast up 36.1 percent to \$547 million, Heartware up 31.9 percent to \$1,287 million, QRX (29.3%), Patrys (27.8%) and Alchemia (20.0%). Antisense led the falls, down 37.5 percent to \$5 million, followed by Immuron (22.2%), Genera (16.7%), Chemgenex (15.7%) and Prima (14.6%).

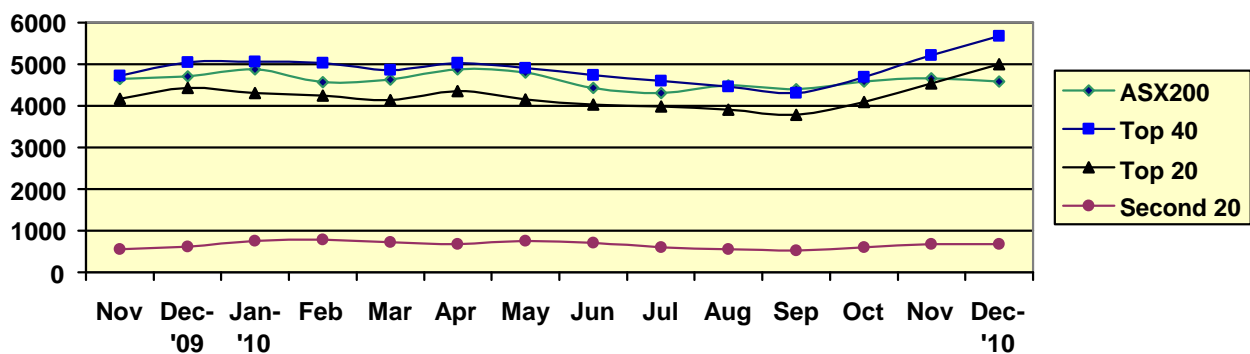
Cumulatively, the Big Caps recovered, up 5.3 percent for the month and 7.8 percent for the year to November 30. Resmed slipped 0.9 percent in November to \$5,125 million, but Cochlear was up 10.2 percent to a record \$4,434 million with CSL up 5.9 percent

Biotechs raised \$21.7 million in November.

BDI-40 v S&P ASX200 Jun 30, 2006 to Nov 30, 2010



BDI-40 (\$m) v S&P ASX200 2009-'10



FEDERAL GOVERNMENT. AUSTRALIAN RESEARCH COUNCIL

The Federal Government says it is providing more than \$30 million for 78 projects under the Australian Research Council Linkage infrastructure, equipment and facilities scheme. Innovation Minister, Senator Kim Carr, said new and improved facilities would allow researchers to broaden their understanding of topics such as climate change, bacterial infections and space.

“Groundbreaking research starts with creative and bright ideas. High-quality tools and facilities help our researchers turn these thoughts into reality,” Senator Carr said.

Senator Carr said the 78 projects would strengthen research partnerships with other higher education, industry and government organizations around the world.

“When these facilities are established, they will be utilized by researchers from around the world, fostering global research partnerships,” Senator Carr said.

The Government said funding for the successful projects would begin in January 2011.

A summary of the 78 projects is at http://www.arc.gov.au/ncgp/lief/lief_outcomes.htm.

The Australian Research Council provided a list of some of the biotechnology grants.

The University Of Sydney’s Prof Jacqueline Matthews was awarded \$200,000 for a shared resource for protein discovery to enable the production and characterization of proteins to generate therapeutics and develop novel applications for these proteins in medicine and industry.

The University of New South Wales’ Prof Sean Li was awarded \$840,000 for a comprehensive magneto-thermo-physical property measurement system for the development of advanced materials, energy and biomedical technologies

The University of Wollongong’s Prof Aaron Oakley was awarded \$450,000 for a regional facility for macromolecular x-ray crystallography to contribute to understanding the processes in living organisms, new drugs and new biotechnology.

The University of Wollongong’s Prof Shi Xue Dou was awarded \$290,000 for a complete near-field scanning optical microscope for advanced characterization of novel and functional materials. It will create a platform to advance Australian research to new levels in pharmaceuticals, nano-materials and energy storage materials.

Macquarie University’s Prof Paul Haynes was awarded \$160,000 for improving shotgun proteomics by using high-speed ion trap mass spectrometry.

The University of Melbourne’s Prof Francis Carbone was awarded \$350,000 for an advanced flow cytometry facility for the Peter Doherty Institute for Infection and Immunity to enhance capacity to investigate immunity to a broad range of very serious diseases.

The project will support researchers studying viral and bacterial infection as well as cancer and autoimmunity.

Deakin University’s Dr Aiden Beer was awarded \$430,000 for a facility for the development of lightweight extruded alloys and structures, metal-matrix composites, micro-truss structures and powder base metals for structural and biomedical applications.

The University of Queensland’s Prof Paul Alewood was awarded \$500,000 for a high-throughput, high resolution protein-peptide sequencing and quantification facility to elucidate the structures of novel toxins which have the potential to be developed as drugs.

The University of Queensland’s Dr Timothy Bredy was awarded \$240,000 for a mass spectrometry platform for high throughput genotyping, epigenetic analysis and validation of genome wide sequencing studies

Queensland University of Technology’s Prof Judith Clements was awarded \$330,000 for a comprehensive cell imaging facility for in-depth analyses of cell function.

The University of Western Australia’s Prof Shaun Collin was awarded \$500,000 for a multi-photon confocal microscope for high-speed, deep tissue imaging and multi-modal nano-scale characterization.

[AUSTRALIAN STEM CELL CENTRE. STEM CELLS AUSTRALIA](#)

The Australian Stem Cell Centre which is expected to close on June 30, 2011 has congratulated Stem Cells Australia's \$21 million grant announced yesterday.

A media release from the Australian Stem Cell Centre welcomed the announcement by the Minister for Innovation Senator Kim Carr that Stem Cells Australia would receive \$21 million for a period of up to seven years to continue stem cell research under the new Australian Research Council Special Research Initiative in Stem Cell Science which begins in July 2011.

Similar to the Australian Stem Cell Centre the new body is a consortium of universities and research organizations and will be headed by the University of Melbourne and led by Prof Martin Pera.

The Australian Stem Cell Centre said that for the past nine years it had been the main dedicated funding body for stem cell research in Australia.

The Centre said that in the 2009-'10 financial year it funded \$11.1 million of stem cell research across Australia and subsidized a number of activities that supported research including research infrastructure and public education and engagement programs.

The Centre said it was established in 2002 with funding of about \$100 million provided by the Australian Government.

The Centre said its funding would end in 2011 and it was not aware of any alternative funding to continue its mission.

The Australian Stem Cell Centre chairman Prof Graham Macdonald said it was "rewarding that many of the superb collaborative research streams and the public engagement activities established by the ASCC will continue under the SRI program".

"The Australian Stem Cell Centre is proud to be leaving behind such a strong scientific legacy as well as a cadre of skilled, well-trained research scientists and a well-informed and supportive public," Prof Macdonald said.

The Centre said it would continue to pursue strategies to position Australian stem cell research for excellence, sustainability and international competitiveness, to provide critical research infrastructure, support and training, as well as to enhance public understanding of stem cells and their potential.

[KARMELSONIX](#)

Significant numbers of Karmelsonix shareholder votes opposed 10 of 28 resolutions, mainly on the issue of shares and options to directors and related companies.

The greatest dissent was against the issue of shares and options to former director Dr Henry Pinski with 93,414,010 proxy votes (45.9%) opposed and 109,890,176 proxy votes (54.1%) in favor.

There were seven resolutions in which more than 90 million proxy votes opposed the issue of shares or options to Dr Pinski, former chairman Peter Marks and former directors Prof Nathan Intrator, Prof Noam Gavriely, Amir Ohad, current director Paul Eisen and the "employees, directors and consultants share and option plan".

Two resolutions approving shares to IBA Business Consultants and Mr Marks' Peregrine Corporate were opposed by about 70 million proxy votes, with the issue of stock to Paul McWilliam opposed by 9.3 million proxy votes.

All other resolutions, including the remuneration report were passed overwhelmingly. Karmelsonix most recent Appendix 3B share issue announcement said there were 687,276,239 shares on issue, meaning that the strongest opposition came from 14.1 percent of all shares on issue.

Karmelsonix fell 0.2 cents or 8.3 percent to 2.2 cents.

BIOPROSPECT

Bioprospect says its rights issue has raised \$845,069 through 586 applications for 169,013,730 shares or 53 percent of the total offer.

Bioprospect said the shortfall funds of \$927,226 would be managed by the underwriter Novus Capital and the sub underwriters and the company expected the funds to be finalized by December 6, 2010.

Bioprospect managing director Charles Pellegrino said it was apparent "that shareholders are right behind the future direction of the Company and this take up on the rights issue gives confidence to the board for the way ahead".

Bioprospect was up 0.2 cents or 22.2 percent to 1.1 cents with 34.7 million shares traded.

BIODIEM

Biodiem says it has been both US and Chinese patents covering its anti-microbial compound BDM-I.

Biodiem said BDM-I was a novel anti-infective compound directed against a range of diseases caused by micro-organisms including bacteria and fungi.

The company said the issued patents, entitled 'Antimicrobial and radioprotective compounds' were valid until 2022.

Biodiem said it would file divisional patent applications in the US to extend the patent claims coverage into further disease indications.

Biodiem said BDM-I had shown promising results indicating a broad spectrum of activity against a range of pathogenic micro-organisms including bacteria, fungi and protozoa.

Despite the wide availability of antibiotics, control of some life-threatening infections remains difficult, and pathogenic microorganisms, most notably *Staphylococcus aureus* or 'golden staph' were developing resistance to current treatments, the company said.

Biodiem said it expected that the initial development of BDM-I would be for clinical infections caused by methicillin-resistant *Staphylococcus aureus* (MRSA) and invasive fungal disease.

Biodiem said it was seeking interested partners to co-develop BDM-I further for these conditions and other serious infectious diseases.

Biodiem was untraded at 11.5 cents.

CBIO

CBio says it has appointed Prof Terje Kalland as a non-executive director.

CBio said Prof Kalland was a former professor of tumor immunology with 22 years experience in the pharmaceutical industry.

The company said Prof Kalland was the retiring senior vice-president of Novo Nordisk's biopharmaceuticals research unit with a focus on discovery and preclinical development, as well as phase I/II clinical development.

CBio said Prof Kalland had brought more than 40 large and small molecule-based drug candidates into development.

Prior to Novo Nordisk, Dr Kalland was chief scientific officer at Biovitrium AB in Stockholm, Sweden and from 1988 to 2001, he worked at Pharmacia, including as the global head of Oncology Research.

CBio was untraded at 20 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Dec-09	Nov-10	Dec-10
Cochlear	3,566	4,022	4,434
CSL	18,871	18,060	19,130
Resmed	4,174	5,170	5,125
BDI-20			
Acrux	389	490	552
Alchemia	100	100	120
Antisense	34	8	5
Bionomics	111	88	105
Biota	546	175	179
Cellestis	326	231	240
Chemgenex	252	153	128
Clinuvel	91	55	51
Genera	44	30	25
Heartware	402	976	1,287
Impedimed	86	115	111
Living Cell	71	43	43
Mesoblast	201	402	547
Nanosonics	126	204	191
Pharmaxis	532	637	610
Sirtex	392	337	308
Starpharma	133	168	184
Sunshine Heart	21	15	17
Tissue Therapies	17	61	63
Universal Biosensors	275	252	238
Second 20			
Advanced Surgical	11	14	12
Benitec	15	15	12
Cathrx	46	37	37
Cellmid	10	7	14
Circadian	31	28	29
Compumedics	31	19	17
Genetic Technologies	19	11	13
Immuron	22	27	21
LBT Innovations	12	8	9
Optiscan	12	5	5
Patrys	26	18	23
Phosphagenics	53	89	78
Phylogica	25	14	14
Prana	42	30	34
Prima	82	96	82
Psivida	73	115	101
QRX Pharma	65	99	128
Uscom	32	17	17
Viralytics	14	19	19
Virax	6	5	5

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Biota, Chemgenex, Impedimed, Neuren, Optiscan, Sunshine Heart and non-biotechnology stocks. These holdings are liable to change at any time.

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