



Biotech Daily

Thursday July 1, 2010

Daily news on ASX-listed biotechnology companies

- * **BDI-40 BEATS ASX200 OVER 4 YEARS, 12 MONTHS TO JUNE 30, 2010**
- CATHRX UP 111%, NOVOGEN DOWN 57.5%
- * **TODAY: ASX DOWN, BIOTECH EVEN:**
- TISSUE THERAPIES UP 8%; HEARTWARE DOWN 7%
- * **MELBOURNE PATHOLOGY BUYS AUSTRALIA'S 1st LBT PREVI ISOLA**
- * **UBS AG TAKES 8.8% OF CATHRX; PRIME BROKER, MARGIN CALLS**
- * **PRANA PRESENTS MECHANISM OF PBT2 FOR ALZHEIMER'S DISEASE**
- * **AGENIX RECEIVES \$477k FROM SHANGHAI**
- * **CORRECTION: GENETIC TECHNOLOGIES'S**

MARKET REPORT

The Australian stock market fell 1.5 percent on Thursday July 1, 2010 with the S&P ASX 200 down 64.0 points to 4237.5.

Eleven of the Biotech Daily Top 40 stocks were up, nine fell, eight traded unchanged and 12 were untraded. All three Big Caps fell.

Tissue Therapies was best, up 1.5 cents or 8.3 percent to 19.5 cents with 201,412 shares traded.

Antisense and Genera climbed more than seven percent; Viralytics was up 5.4 percent; Clinuvel was up 4.4 percent; Chemgenex, Circadian, Pharmaxis and Psivida were up three percent or more; with Acrux up 1.38 percent.

Heartware led the falls, down 18 cents or 7.3 percent to \$2.30 with 131,645 shares traded, followed by Biota down 5.9 percent to 96 cents with 1.5 million shares traded.

Alchemia lost 4.85 percent; Universal Biosensors was down 3.2 percent, Living Cell, Phosphagenics, QRX, Sirtex and Starpharma shed two percent or more; with Cochlear and CSL down more than one percent and Resmed down 0.8 percent.

BIOTECH DAILY TOP 40 INDEX

The Biotech Daily Top 40 Index (BDI-40) continues to remain a safer bet than Australia's largest 200 companies, not just in the past month or year but for the four years from June 30, 2006 (see charts below).

While the S&P ASX200 has fallen 15.2 percent over the four year period, the Biotech Daily Top 40 Index has climbed 29.0 percent.

The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) climbed 61.4 percent, primarily with CSL doubling its market capitalization in 2007 from \$10 billion to \$20 billion.

In the 12 months to June 30, 2010, the BDI-40 was up 40.3 percent, with the BDI-20 up 39.2 percent and the Second 20 up 48.5 percent, compared to the ASX200 managing an 8.8 percent increase and the Big Caps up 4.7 percent.

For the month of June, the BDI-20 fell 1.1 percent compared to the ASX200 retreating 2.9 percent. The smaller and more volatile Second 20 fell 14.1 percent dragging the BDI-40 down 3.0 percent, in line with the ASX200.

Deep falls by Novogen, Pharmaxis and Phosphagenics were offset by the continuing rise of Heartware and a strong recovery by Cathrx on the back of a capital raising.

The Big Caps collectively fell 1.4 percent for the month, with Cochlear up 2.1 percent to \$4,202, while CSL slipped 1.5 percent and Resmed lost 3.6 percent. For the year, Cochlear climbed 29.9 percent, Resmed rose 46.7 percent and CSL lost 7.7 percent.

The Third 20 which includes Advanced Surgical, Anteo, Cogstate, Biodiem, Halcygen, Healthlinx and Immuron held steady with a collective market capitalization of \$330 million.

Just seven BDI-40 companies were up in June, 27 fell and six were unchanged.

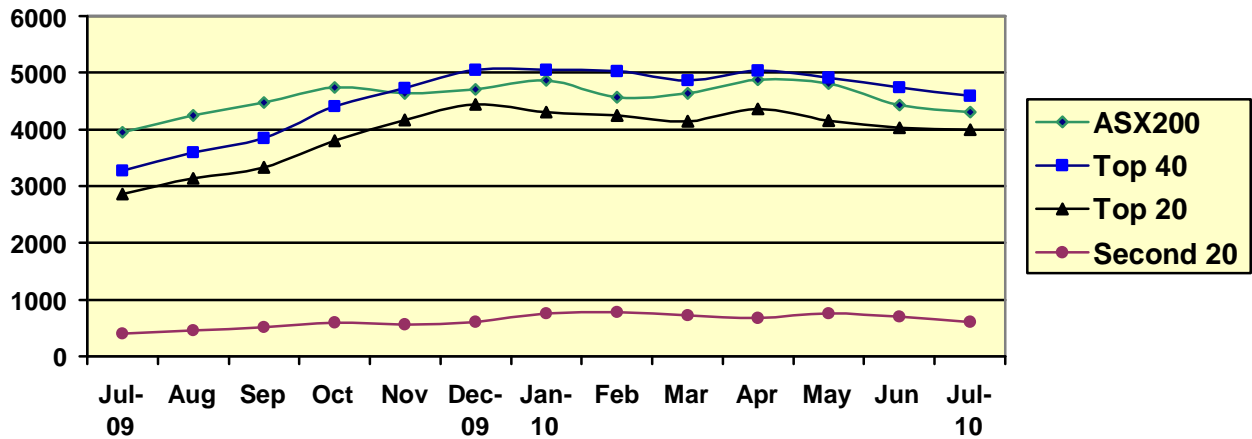
Cathrx was the month's best, up 111.1 percent to \$38 million, followed by Heartware up a further 29.7 percent, crossing the \$1 billion barrier to \$1,191 million, Universal Biosensors (12.4%), QRX (5.2%), Tissue Therapies (4.2%), Sirtex (2.2%) and Cellestis (0.7%).

A failed phase III trial had Novogen lead the falls, losing 57.5 percent to \$17 million, followed by Phosphagenics down 35.65 percent to \$74 million, but the most significant loss was Pharmaxis down 33.1 percent to \$464 million on its mixed phase III trial result. From low bases, Bone and LBT shed 25 percent, followed by Prima (24.7%), Circadian (23.3%), Psivida (20.7%), Patrys (17.4), Living Cell (16.9%) and Bionomics (16.5%).

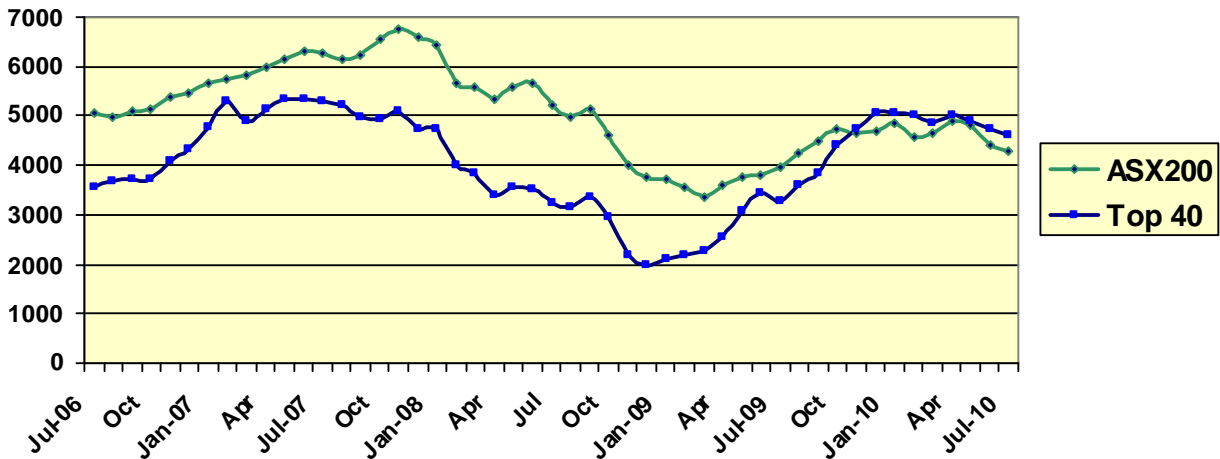
Biotechs raised \$17.1 million in June.

There are no changes to the indices this month.

Biotech Daily Top 40 (\$m) v S&P ASX200 2009-'10
 (Closing price/market capitalization on the last trading day of the month.)



BDI-40 v ASX200 Jun 30, 2006 to Jun 30, 2010



LBT INNOVATIONS

LBT says its distributor Biomérieux Australia has sold its first Australia's Previ Isola incorporating LBT's Microstreak technology for automated agar plate streaking. LBT said the sale to Sonic Healthcare's Melbourne Pathology triggered a milestone payment of \$20,000 by LBT to Medvet Science from whom the core technology was licenced.

Biomérieux Australia managing director Paul Wilson said that "automation represents the biggest step forward for microbiology labs in at least 50 years". LBT was untraded at 6.5 cents.

CATHRX

The Hong Kong-based UBS AG and related bodies corporate have become substantial shareholders in Cathrx with 12,512,500 shares or 8.83 percent of the company.

The substantial shareholder notice said the holders of the interests in Cathrx were UBS AG's London and Sydney branches and the holdings were subject to 'prime broker' agreements, including margin call provisions.

Cathrx was untraded at 26.5 cents.

PRANA BIOTECHNOLOGY

Prana says its PBT2 for Alzheimer's disease works by removing copper and zinc from amyloid-beta and returning the "crucial metals" to neurons.

Prana said its head of research Prof Robert Cherny will present new data on PBT2 at the Hot Topics Therapeutics and Intervention session of the International Conference of Alzheimer's Disease in Honolulu on July 14, 2010.

The company said Prof Cherny's presentation was entitled 'Novel molecular mechanisms for the neurotrophic and neuroprotective effects of PBT2 in Alzheimer's disease and Huntington's disease'.

Prana said the new findings "show that the effectiveness of PBT2 lies in a unique combination of complementary activities".

"PBT2 acts to detoxify amyloid-beta [within the synapses of the brain] by disarming it of copper and zinc and returns these crucial metals to neurons," Prana said.

Prana said Prof Cherny would present data showing that by returning these metals to neurons, "important cell signaling pathways are activated that prevent neuronal death and promote neuronal function".

"In addition, data will be presented linking the neuro-protective qualities of PBT2 with beneficial effects evident in an animal model of Huntington's disease," Prana said.

The company said that in collaboration with the University of California San Francisco, PBT2 was tested in the R6/2 transgenic mouse model of Huntington's disease.

Prana said the mice exhibited significant improvement in coordination, motor function and lifespan.

Significantly, examination of the brains of treated mice showed marked reduction in atrophy of the striatal tissue, Prana said.

"In Huntington's disease, this tissue degenerates resulting in the loss of brain volume, a hallmark of the disease," the company said.

Prana was untraded at 15.5 cents.

AGENIX

Agenix says it has continued to receive funds from its failed takeover of Shanghai biopharmaceutical investments.

Agenix said that Agenix Wholly Foreign Owned Enterprise in Shanghai received RMB 2,800,000 (\$A477,000) in relation to the transaction.

The company said the total amount received was RMB20.9 million (\$A3.6 million) with further payments of RMB23.1 million remaining to be received.

Agenix began a process to acquire two Shanghai pharmaceutical companies in February 2007 but it stalled when a four percent shareholding Chinese landlord failed to provide a waiver for the completion of the share transaction (BD: Feb 14, Jun 6, 2007; Jul 24, 2008).

Agenix was in a voluntary suspension at 1.7 cents.

CORRECTION: GENETIC TECHNOLOGIES

Last night's edition carried a stray apostrophe potentially implying that banned Tollhurst (now Paterson's) share dealer Clive Henley belonged to Genetic Technologies.

Biotech Daily accepts that this has never been the case.

Biotech Daily strongly opposes the use, abuse and misuse of apostrophes, most particularly the Americanism of using apostrophes to denote plurality.

The sub-editor has been admonished and lightly beaten with a burette clamp.

Genetic Technologies was unchanged at 3.5 cents.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Jul-09	Jun-10	Jul-10
Cochlear	3,234	4,116	4,202
CSL	19,402	18,188	17,909
Resmed	3,809	5,795	5,586
Top 20			
AcruX	181	313	291
Alchemia	57	106	98
Antisense	21	8	8
Bionomics	53	103	86
Biota	209	199	183
Cellestis	290	262	264
Chemgenex	184	85	84
Clinuvel	85	73	68
Genera	28	32	28
Heartware	274	918	1,191
Impedimed	58	75	70
Living Cell	43	71	59
Mesoblast	113	294	286
Nanosonics	78	122	120
Pharmaxis	517	694	464
Sirtex	187	267	273
Starpharma	70	129	129
Sunshine Heart	15	20	20
Tissue Therapies	13	24	25
Universal Biosensors	145	217	244
Second 20			
Benitec	9	14	13
Bone Medical	18	12	9
Cathrx	20	18	38
Cellmid	3	7	6
Circadian	33	30	23
Compumedics	22	23	21
Genetic Tech	17	14	14
LBT Innovations	12	8	6
Novogen	53	40	17
Optiscan	5	7	7
Patrys	13	23	19
Phosphagenics	90	115	74
Phylogica	12	19	17
Prana	25	37	36
Prima	18	97	73
Psivida	38	82	65
QRX Pharma	29	115	121
Uscom	31	17	15
Viralytics	10	20	17
Virax	5	12	12

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Biota, Chemgenex, Impedimed, Neuren, Optiscan, Pharmaxis and non-biotechnology stocks and has an indirect interest via Australian Ethical trusts in Cochlear, Impedimed, Pharmaxis, QRX, Resmed and Tissue Therapies. These holdings are liable to change at any time.

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