



Biotech Daily

Friday July 16, 2010

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: ALCHEMIA UP 8%; PATRYS DOWN 13%**

*** FEDERAL GOVERNMENT GIVES CSL \$30m**

*** CORRECTION: AVEXA**

MARKET REPORT

The Australian stock market fell 0.45 percent on Friday July 16, 2010 with the S&P ASX 200 down 19.9 points to 4422.7 points.

Eight of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and nine were untraded.

Alchemia was best, up three cents or 7.7 percent to 42 cents with 97,905 shares traded, followed by Prana up one cent or 6.2 percent to 17 cents with 150,000 shares traded.

Phosphagenics climbed five percent; Bionomics was up 3.2 percent; Living Cell, Pharmaxis and Viralytics rose more than two percent; with Cochlear up more than one percent.

Patrys led the falls, down 1.5 cents or 13.0 percent to 10 cents with 45,000 shares traded, followed by Prima down one cent or 8.3 percent to 11 cents with 2.6 million shares traded.

Antisense, Chemgenex and Virax lost five percent or more; Benitec fell 3.2 percent; Biota, LBT, Starpharma and Tissue Therapies shed more than two percent; with Sirtex down 1.8 percent.

CSL, FEDERAL GOVERNMENT

The Federal Government says it will grant CSL \$30 million for a recombinant cell culture facility at its Broadmeadows Victoria site.

A media release from Innovation Minister Senator Kim Carr said “the Gillard Government will invest \$30 million to increase Australia’s research and development capacity through CSL”.

The media release said the project would deliver “a major expansion in [research and development] capacity at CSL’s facility in Broadmeadows”.

“It will help ensure that CSL can do medical research that will help save lives, provide lasting benefits to the community, and increase Australia’s readiness to tackle future health threats,” the media release said.

A Department of Innovation official told Biotech Daily the funds were part of an unlabelled “contingency reserve” in the 2010-’11 Federal Budget.

The official said the funds had been earmarked for the project but were subject to negotiations with CSL at the time of the budget.

Asked why a company making annual profits of more than \$1.1 billion needed taxpayers to invest \$30 million, the official said “it is up to the Government to make decision about these things”.

“There will be spillovers to the sector in terms of training and research and development infrastructure that could be used by other companies with CSL,” the official said.

CSL’s net profit after tax for the 12 months to June 30, 2009 was up 63 percent to \$1,145.9 million on revenue up 32 percent to \$5,039.4 million (BD: Aug 19, 2010).

A CSL spokeswoman told Biotech Daily that the company had posted a media release on the grant but did not announce the \$30 million funding to the ASX, as it was deemed “not material”.

Senator Carr said CSL was “a strategically important provider of vaccines, anti-venoms, blood products and diagnostic health products for the Australian community”.

“This investment will help build the infrastructure and develop the capabilities Australian scientists need to create complex, next-generation drugs and deal with future epidemic diseases,” Senator Carr said.

The Federal Member of the House of Representatives for Calwell Maria Vamvakinou said the investment would provide a big boost to the northern Melbourne region.

“It will result in over 333 ongoing, highly-skilled jobs and an average of 320 full-time jobs in the construction and commissioning phases,” Ms Vamvakinou said.

In a subsequent email the Department of Innovation official said in response to a question comparing the grant to CSL with funding levels to Commercialisation Australia, that the Departmental body had “significant on-going funding already”.

Commercialisation Australia has about \$80 million a year to be spread across all “innovative” industries including biotechnology, information and communications technology, the cleaner energy industry, defence as well as clothing textiles and footwear.

Asked whether the 45 percent research and development tax credit was in jeopardy should the Government change at the coming election, the Department of Innovation official said: “The Minister has made it clear that he intends to continue [to] pursue the reform when Parliament resumes”.

The Leader of the Opposition in the Senate, Senator Eric Abetz told Biotech Daily that the Coalition had concerns with the 45 percent research and development tax credit program and would not support the legislation in its current form.

CSL fell 25 cents or 0.76 percent to \$32.55 with two million shares traded.

[CORRECTION: AVEXA](#)

Avexa's interim chief executive officer Dr Jonathan Coates has told Biotech Daily that although he is the inventor of the anti-HIV drug 3TC (lamivudine) he is not the inventor of apricitabine or ATC, as reported in recent articles.

Dr Coates has been involved with apricitabine since it was licenced by Avexa from Shire Pharmaceuticals in January 2005.

Dr Coates said the inventor of apricitabine was Dr Bernard Belleau who was with Biochem Pharma of Quebec, Canada at that time.

Biotech Daily apologizes for the inaccurate reporting.

The reporter involved acknowledges he was informed of this several years ago and has been told to stand in the corner for the rest of the week.

Avexa was unchanged at 3.4 cents with one million shares traded.