



Biotech Daily

Tuesday June 1, 2010

Daily news on ASX-listed biotechnology companies

- * **MAY BDI-40 DOWN 3.6%, ASX200 DOWN 7.8%:
HEARTWARE UP 26%, AVEXA LOSES 76%**
- * **TODAY: ASX, BIOTECH DOWN: PATRYS UP 12%; CELLMID DOWN 9%**
- * **CYTENTIA ESTABLISHES STEM CELL BANK**
- * **HEALTHLINX PLACES \$750k THROUGH STONEBRIDGE**
- * **BENITEC APPOINTS IAIN ROSS DIRECTOR**
- * **AUSBIOTECH TO MANAGE FEDERAL BIOFUELS PROJECT**

MARKET REPORT

The Australian stock market fell 0.37 percent on Tuesday June 1, 2010 with the S&P ASX 200 down 16.6 points to 4413.1.

Eleven of the Biotech Daily Top 40 stocks were up, 13 fell, nine traded unchanged and seven were untraded. All three Big Caps were up.

Patrys was best, up 1.5 cents or 12 percent to 14 cents with 487,220 shares traded followed by Uscom up 10 percent to 44 cents with 1,235 shares traded.

Benitec climbed 5.7 percent; Alchemia was up 4.5 percent; Prana was up 3.1 percent; Clinuvel rose 2.1 percent; with Cellestis, Chemgenex and Cochlear up more than one percent.

Cellmid led the falls, down 0.2 cents or 8.7 percent to 2.1 cents with 1.2 million shares traded, followed by Viralytics down 4.35 percent to 4.4 cents with 2.8 million shares traded.

Avexa, Biota, Living Cell, Nanosonics and Phosphagenics lost more than three percent; Psivida and Sunshine Heart shed more than two percent; with Bionomics and Optiscan down more than one percent.

BIOTECH DAILY TOP 40 INDEX

It may be a small consolation, but the Biotech Daily Top 40 Index (BDI-40) only lost 3.6 percent in May compared to the S&P ASX200 falling 7.8 percent.

The BDI-20 lost 3.0 percent while the Second 20 fell 7.4 percent. For the year to May 31, 2010 the BDI-40 was up 37.6 percent compared to the ASX200 up 16.0 percent with the BDI-20 up 35.6 percent and the Second 20 was up 50.3 percent.

The BDI-20 was affected by Avexa's \$84 million fall in market capitalization along with losses of more than 20 percent by Biota, Chemgenex and Living Cell, the last of which hit its largest market capitalization since listing in April.

The Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40), collectively fell 0.2 percent for the month, with Resmed up 13.2 percent to \$5,795 million, while Cochlear fell 1.3 percent and CSL lost 2.4 percent.

Ten BDI-40 companies were up, 29 fell and one – Optiscan – was unchanged.

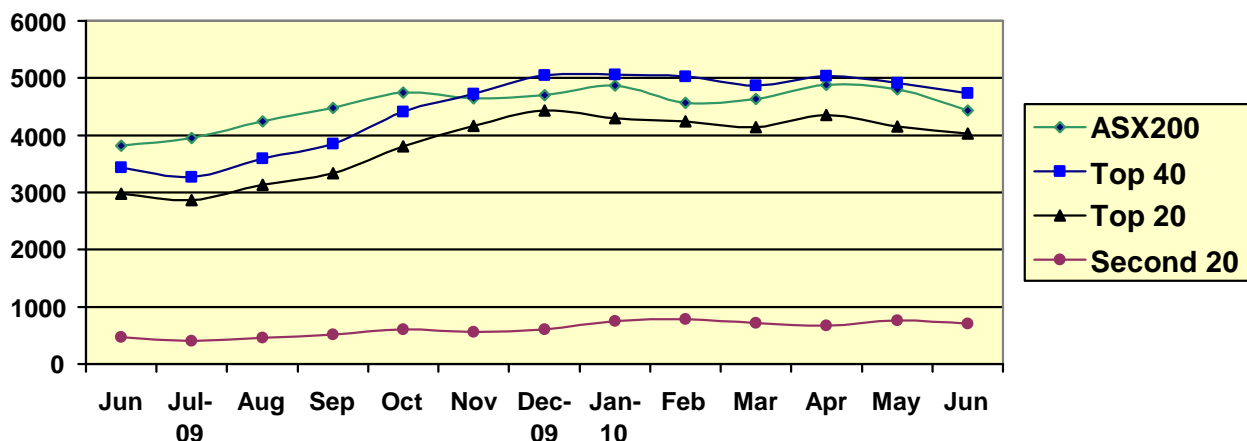
Heartware was the best in May, up 26.1 percent to \$918 million, followed by Sunshine Heart up 11.1 percent to \$20 million, Mesoblast up 9.7 percent to \$294 million, Patrys (9.5%), Viralytics (5.2%), Clinuvel (4.3%), Bionomics (4.0%) and Phosphagenics (3.6%).

Avexa led the falls, down 76.4 percent to \$26 million, followed by Living Cell down 26.8 percent to \$71 million, Biota (24.6%), Cellmid (22.2%), Chemgenex (22.0%), Sirtex (17.6%), Uscom (15.0%), Bone (14.3%) and Tissue Therapies (14.3%).

Avexa has been left a shell with very early stage compounds and \$23 million and will drop to the reserve lists, replaced in the Top 20 by Tissue Therapies and with Virax promoted to the Second 20.

Biotechs raised \$27.3 million in May.

Biotech Daily Top 40 (\$m) v S&P ASX 200 2009-'10



CYTENTIA

Cytentia says it is Australia's first stem cell bank establishing a storage and distribution system for lines of stem cells which might hold the secret to the genetic disease Friedreich ataxia.

Cytentia said Friedreich ataxia had no known cure or treatment and caused slow nerve degeneration and early death.

The company said the stem cells from patients with Friedreich ataxia would be distributed around Australia and overseas to scientists searching for a treatment and cure for the debilitating disease.

The company said it was located at Melbourne's O'Brien Institute and would be the first and only place in the world to collect, store and distribute the stem cells produced from the skin of sufferers of the disease.

The director of Cytentia and the head of stem cell medicine at the O'Brien Institute Dr Jeremy Crook said the cells offered the best chance of finding a treatment, cure or preventative mechanism for the mystery disease which occurs in about one in 50,000 births.

Dr Crook said the O'Brien Institute had entered a partnership with the Friedreich Ataxia Research Association of Australasia to fund the collection, banking and distribution of the stem cells in Australia and overseas.

Cytentia said the induced pluripotent stem cells would be stored in liquid nitrogen.

The company said the induced pluripotent stem cells were typically produced from adult tissue, as distinct from embryonic stem cells produced from embryonic cells.

Cytentia said that until recently, it was believed that only embryonic stem cells could be used to produce the whole range of cells in a living person, but recent research has shown that stem cells can be made from skin or other parts of the body and differentiated to different types of cells.

The company said that Friedreich ataxia often emerged in teenage years as a faulty gene that caused low levels of a protein believed to be important for supplying iron to nerve and heart cells.

Patients lose their balance and co-ordination, often appearing drunk. They can then develop diabetes and heart problems, resulting in premature death.

Friedreich ataxia research teams would be invited to send cell lines to Cytentia so that Melbourne could be the world headquarters for the cells.

Dr Crook said was "important for researchers all around the world that the stem cell lines are banked, maintained and distributed to a high standard, which will be guaranteed here because Cytentia complies with international guidelines for stem cell banking".

He said the plan for Friedreich ataxia cells to be gathered from around the world was a good fit with the new bank's operational strategy to store large volumes of different types of cells.

Dr Crook said that theoretically the bank could store cells of any genetic disorder.

In Australia, the work to produce induced pluripotent stem cells from the skin of Friedreich ataxia sufferers was done last year by scientists at the University of Melbourne and the Monash Institute of Medical Research.

Cytentia said it would distribute them, along with other induced pluripotent stem cells cell lines, to the international scientific community.

HEALTHLINX

Healthlinx says it raised \$750,000 through a placement of 7,500,000 shares at 10 cents each to sophisticated investors through Stonebridge Securities.

Each share comes with two free attaching options exercisable at 15 cents each and expiring on December 31, 2013.

Healthlinx said the funds would support the commercial roll out of its ovarian cancer test Ovxplex over the next 12 months.

The company said it would announce "in the very near future" the start of the second multi-national multi centre study that would see 1150 samples screened across the existing five biomarker panel and an additional two biomarkers in AGR2 and HTX010.

Healthlinx said that more than 232,000 women were diagnosed with ovarian cancer worldwide each year with a greater than 50 percent mortality rate.

Healthlinx said it was working with Victorian-based healthcare provider Healthscope, the Mercy Hospital for Women, Victorian Bio Bank, Brisbane-based Mater Hospital and the UK-based University of Liverpool and South Essex Cancer Network.

The company said Stonebridge Securities was an Australian-owned investment, advisory and trading house.

Healthlinx fell half a cent or 4.8 percent to 10 cents.

BENITEC

Benitec has appointed Iain Ross as a director effective from June 1, 2010.

Benitec said Mr Ross was an experienced business entrepreneur with 30 years experience in the life sciences sector.

The company said Mr Ross has worked with Sandoz, Fisons, Hoffman La Roche and Celltech.

Benitec said Mr Ross undertook and provided input to a number of company turnarounds and start-ups as a board member on behalf of banks and private equity groups and had led and participated in four initial public offerings.

Benitec was up 0.2 cents or 5.7 percent to 3.7 cents.

AUSBIOTECH

Ausbiotech says it has been appointed to manage a Federal Government project to boost research into second generation biofuels.

Ausbiotech said it would receive with a \$3 million investment as part of the Super Science Education Investment Fund.

The industry organization said it would support the efforts of the two project participants the Queensland University of Technology and the South Australian Research and Development Institute in the development of the facilities and be responsible for the overall management of the project.

Ausbiotech said the management agreement between Ausbiotech and the Department of Innovation, Industry, Science and Research would extend to December 31, 2011.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Jun-2009	May-2010	Jun-2010
Cochlear	3,006	4,171	4,116
CSL	17,519	18,877	18,188
Resmed	3,488	5,117	5,795
Top 20			
Acrux	188	319	313
Alchemia	59	103	106
Antisense	22	10	8
Bionomics	65	99	103
Biota	240	264	199
Cellestis	278	280	262
Chemgenex	142	109	85
Clinuvel	111	70	73
Genera	33	37	32
Heartware	289	728	918
Impedimed	63	87	75
Living Cell	43	97	71
Mesoblast	99	268	294
Nanosonics	80	126	122
Novogen	84	44	40
Pharmaxis	492	687	694
Sirtex	167	324	267
Starpharma	66	143	129
Tissue Therapies	15	28	24
Universal Biosensors	181	252	217
Second 20			
Benitec	11	17	14
Bone Medical	18	14	12
Cathrx	23	19	18
Cellmid (ex-MTY)	6	9	7
Circadian	36	34	30
Compumedics	25	25	23
Genetic Tech	27	17	14
LBT Innovations	13	9	8
Optiscan	6	7	7
Patrys	6	21	23
Phosphagenics	93	111	115
Phylogica	15	20	19
Prana	39	41	37
Prima	24	110	97
Psivida	39	95	82
QRX Pharma	29	124	115
Sunshine Heart	15	18	20
Uscom	28	20	17
Viralytics	11	19	20
Virax	4	16	12

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Bionomics, Biota, Chemgenex, Impedimed, Neuren and Optiscan, as well as 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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