



Biotech Daily

Friday May 7, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: LBT UP 6.25%; CELLMID DOWN 12%**
- * **QRX TELLS ASX: 'TRIAL COMPLETION REDUCES CASH BURN'**
- * **SELECT VACCINES IN HIBERNATION AWAITING PARTNER; AGM**
- * **BIODIEM BOARD LOSES JOHN BROWN; WINS JULIE PHILLIPS, ARTHUR LI**
- * **WEHI'S PROF SUZANNE CORY ELECTED PRESIDENT SCIENCE ACADEMY**
- * **STARPHARMA CEO DR FAIRLEY JOINS MELBOURNE BUSINESS SCHOOL**
- * **STIRLING REQUESTS BOTANICAL PRODUCTS TRADING HALT**
- * **BIO-MELBOURNE BREAKFASTS ON BIO-SIMILARS**

MARKET REPORT

The Australian stock market fell for the fifth consecutive trading day, down 2.02 percent on Friday May 7, 2010 with the S&P ASX 200 down 92.5 points to 4480.7 points.

Seven of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and five were untraded.

LBT was best, up half a cent or 6.25 percent to 8.5 cents with 216,666 shares traded, followed by Alchemia up three cents or 5.8 percent to 55 cents with 248,867 shares traded.

Optiscan climbed four percent; Compumedics was up 3.3 percent; Novogen and Tissue Therapies rose more than two percent, with Cellestis up 1.05 percent.

Cellmid led the falls, down 0.3 cents or 12 percent to 2.2 cents with 3.2 million shares traded, followed by Chemgenex down 8.2 percent to 33.5 cents with 615,258 shares traded.

Genera, Psivida and Universal Biosensors lost more than seven percent; Sunshine Heart and QRX fell more than six percent; Antisense was down 5.9 percent; Biota and Living Cell fell more than four percent; Bionomics and Pharmaxis were down more than three percent; Acrux, CSL, Prana, Resmed and Uscom shed more than two percent; with Circadian, Impedimed, Nanosonics, Sirtex and Starpharma down more than one percent.

QRX PHARMA

QRX has told the ASX that is in compliance with the listing rules, despite reporting a cash burn of \$10,279,000 in the three months to March 31, 2010 and having \$16,667,000 cash. QRX filed its Appendix 4C after the market closed on April 27, 2010 and said at that time that “the operating cash outflow for the quarter is aligned with prior expectations”.

QRX said that it would “continue to closely manage our cash position while progressing the phase III development program”.

QRX yesterday told the ASX that expenses for its phase III combination rule trial (BD: May 5, 2010) “were substantively incurred during the quarter ended March 31, 2010 [which] resulted in research and development cash payments ... being unusually high”.

QRX compared the six months to December 31, 2009 research and development expense of \$5.8 million with the March quarter expense of \$9.1 million.

QRX was down eight cents or 6.7 percent to \$1.12.

SELECT VACCINES

Select Vaccines says it is trying to secure a partnership with well-funded complementary companies to advance the development of its vaccine technology.

Select said it had been “investigating opportunities to acquire other businesses, principally but not exclusively in the medical sector”.

The company said it was in discussions with a number of parties that had expressed an interest in merging if the combined entity would have access to sufficient funds to advance its programs to a stage that would generate a significant uplift in shareholder value.

Select said it suspended its vaccine development programs in 2009 and was “operating on a care and maintenance basis to preserve funds”.

In 2008, former chief executive officer Martin Soust resigned “for family and personal reasons” and was later found by the Federal Court to have manipulated the market in buying shares in order to win a salary bonus (BD: Aug 29, 2008; Apr 23, 1010).

The company said its annual general meeting would vote on the re-election of directors Dr Ian Cooke and George Weber, financial statements and the remuneration report.

The meeting will be held at the Sebel Hotel, 394 Collins Street, Melbourne, Victoria on May 27, 2010 at 2pm.

Select Vaccines last traded at 0.6 cents.

BIODIEM

Biodiem says director and Dr John Brown has resigned from the board, with chief executive officer Julie Phillips and Prof Arthur Li appointed as directors.

Biodiem said Ms Phillips was appointed chief executive officer July 1, 2009 and Prof Li was the deputy chairman of The Bank of East Asia and emeritus professor of surgery at the Chinese University of Hong Kong.

Prof Li was a council fellow of the University of Melbourne, dean of the Faculty of Medicine at the Chinese University of Hong Kong, and a director of Glaxo Wellcome Plc. Prof Li is the brother of David Li, Biodiem’s second largest shareholder.

Biodiem said it had appointed Rodney Unsworth as a consultant.

Mr Unsworth was recently Schering Plough group vice-president and president of the Asia-Pacific Region.

The company said the current rights issue entitlement would be extended and a supplementary prospectus would be issued with an accompanying revised timetable.

Biodiem was up half a cent or 3.3 percent to 15.5 cents.

WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute for Medical Research immediate past director Prof Suzanne Cory is the first elected woman president of the Australian Academy of Science. The Institute said Prof Cory was director of the Walter and Eliza Hall Institute from 1996-2009 before she retired from that position to lead a research laboratory in the Institute's molecular genetics of cancer division.

The Institute said Prof Cory was the first elected president of the academy and the second woman president.

Prof Cory has been a member of the academy since 1986 and said she was honored to have been elected president by her peers.

The Institute said Prof Sir Macfarlane Burnet was president from 1965-'69 and Prof Gustav Nossal was president from 1994-'98.

STARPHARMA

Melbourne Business School says Starpharma chief executive officer Dr Jackie Fairley has been appointed a director.

The school said chairman Ron McNeilly has retired along with Geoffrey Allen and Eric Gwee Teck Hai. Peter Barnes has been appointed chairman.

Mr Barnes is the chairman of Ansell Ltd, a non-executive director of News Corp, deputy chairman of Metcash and chairman of Samuel Smith & Son.

The school said Mr Barnes appointed Dr Fairley and Chee Cheong to fill the casual vacancies left by the retirement of Mr Allen and Mr Gwee.

Starpharma fell one cent or 1.6 percent to 60 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Networks' May 11 Bio-Breakfast will examine the world-wide repercussions of the US National Healthcare Act's "bio-similars" initiative.

The Bio-Melbourne said the recently passed US healthcare bill had the provision that gave the US Food and Drug Administration (FDA) the authority to approve bio-similar versions of biological drugs (biologics) for the first time.

The Network said the legislation contained a contentious issue for the biopharmaceutical industry - a 12-year period of exclusivity for data relating to new biologics.

Bio-Melbourne Network chief executive officer Michelle Gallaher said the decision "has been both welcomed and derided by the biopharmaceutical industry".

"Pharmaceutical companies are able to receive rewards for years of research and massive investment in the discovery and development of biologics however generic pharmaceutical companies argue that it gives excessive and unprecedented exclusivity protections to brand pharma companies," Ms Gallaher said.

Speakers at the May 11 2010 Bio-Breakfast include Hospira's vice-president of intellectual property Leah Taylor who will discuss the balance between access and innovation and what the decision will mean for the cost of biologics for the end consumer.

Bioregulatory Consulting principal Penny Field will discuss Australian regulation relating to bio-similars and the impact of the US legislation, here.

The Bio-Melbourne Network said Ms Field would also cover the regulatory issues around bio-similars as they are not considered to be 'generic' drugs.

The Bio-Melbourne Bio-Breakfast will be held at the Supper Room, Melbourne Town Hall on May 11, 2010, with registration at 7:15am.

For more information go to <http://www.biomelbourne.org/events/view/127>.

STIRLING PRODUCTS

Stirling has requested a trading halt “in relation to a joint manufacturing and marketing initiative with regard to a range of some of the company’s botanical products”.

Trading will resume on May 11, 2010 or on an earlier announcement.

Stirling last traded at one cent.