



# Biotech Daily

Monday November 1, 2010

*Daily news on ASX-listed biotechnology companies*

- \* **OCTOBER BDI-40 LEAVES ASX200 BEHIND**  
- **TISSUE THERAPIES UP 91%, COMPUMEDICS DOWN 17%**
- \* **TODAY: ASX UP, BIOTECH EVEN: GENETIC TECH UP 11%; LBT DOWN 6%**
- \* **BIOMD HITS 1<sup>st</sup> CARDIAC VALVE MILESTONE**
- \* **SUNSHINE HEART 5-FOR-7 RIGHTS ISSUE TO RAISE UP TO \$11m**
- \* **ANTISENSE 1-FOR-2 RIGHTS ISSUE TO RAISE \$2.4m**
- \* **ACRUX PLEADS SCHULTZ TO ASX 27% PRICE QUERY**
- \* **ANTEO VOTES ON 21m DIRECTOR OPTIONS**
- \* **TYRIAN VOTES ON CEO RIGHTS, CHAIRMAN SHARES**
- \* **FERMISCAN VOTES ON 400m SHARES**
- \* **SOLAGRAN HAS LESS THAN ONE QUARTER CASH**

## MARKET REPORT

The Australian stock market climbed 0.8 percent on Monday November 1, 2010 with the S&P ASX 200 up 36.9 points to 4698.5 points. Thirteen of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and three were untraded.

Genetic Technologies was best, up 0.3 cents or 11.1 percent to three cents with 30,000 shares traded, followed by Benitec up 8.8 percent to 3.7 cents with 1.2 million shares traded.

Cathrx climbed 7.7 percent; Clinuvel, Optiscan and Patrys were up five percent or more; Circadian and Compumedics were up more than four percent; Mesoblast and Sunshine Heart were up more than three percent; Acrux and Tissue Therapies rose more than two percent; with Cochlear up 1.1 percent.

LBT led the falls, down 0.5 cents or 5.9 percent to eight cents with 46,800 shares traded.

Nanosonics and Resmed lost more than four percent; QRX fell 3.8 percent, Cellestis, Heartware and Viralytics shed more than two percent; with Bionomics, Chemgenex, Pharmaxis, Starpharma and Universal Biosensors down more than one percent.

## BIOTECH DAILY TOP 40 INDEX

The Biotech Daily Top 40 Index (BDI-40) was up \$454 million or 11.1 percent in October compared to the S&P ASX200 climbing 1.7 percent.

For the year to October 31, 2010, the BDI-40 (which does not include the three Big Caps of Cochlear, CSL and Resmed) was up 10.3 percent compared to the ASX200's 0.43 percent increase. Both the BDI-20 and BDI-40 were up 11.1 percent in October, with the Second 20 up 11.25 percent. For the year to October 30, the BDI-20 rose 9.6 percent and the Second 20 was up 19.8 percent.

CSL's 0.6 percent fall (\$116 million) dragged the Big Caps down 0.08 percent in October, with Cochlear up 1.2 percent and Resmed up 0.9 percent. Collectively the three were up 1.6 percent for the 12 month period.

Recoveries by the oversold Chemgenex and Pharmaxis (up \$147 million) were partly responsible for the solid performance, but the sector as a whole was up in October, with 23 of the BDI-40 increasing in market capitalization, 10 falling and seven unchanged. Most of the rises were more than 10 percent and most of the falls were less than 10 percent. Twenty-three BDI-40 companies were up, 10 fell and seven were unchanged.

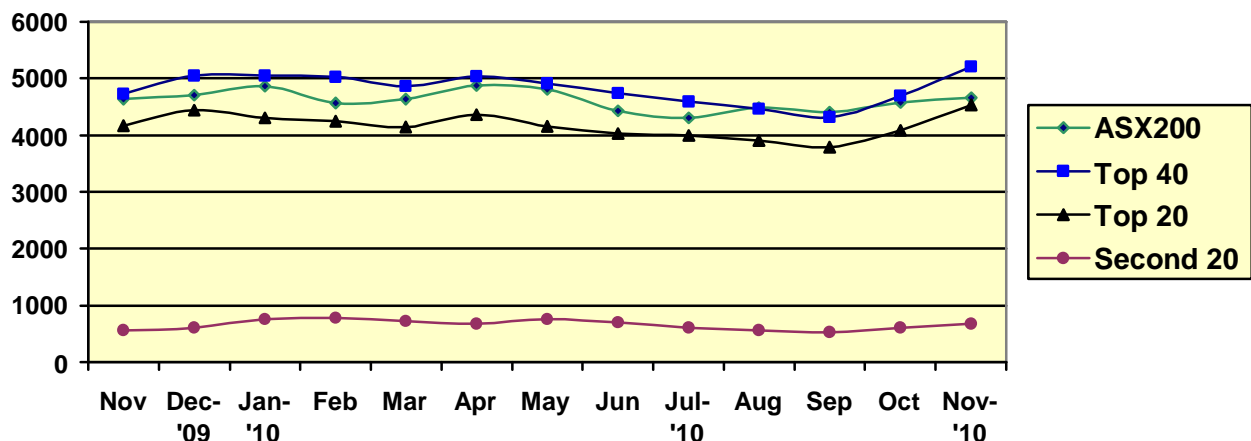
Tissue Therapies was the October best, up \$29 million or 90.6 percent to \$61 million followed by Chemgenex up 59.4 percent to \$153 million, Prima (31.5%), Uscom (30.8%), Pharmaxis (30.0%), Phosphagenics (29.0%), Patrys (28.6%), Psivida (26.4%), Acrux (25.6%) and Starpharma (25.4%).

Compumedics had the deepest fall, down 17.4 percent to \$19 million, followed by Optiscan (16.7%), Benitec (11.8%), Clinuvel (11.3%) and LBT (11.1%).

Biotechs raised \$26.3 million in October.

Advanced Surgical has added distribution of complementary products to its development of orthopaedic and other devices and is promoted to the Second 20, replacing Novogen, which has struggled since its phase III cancer trial failed to meet its endpoints.

Biotech Daily Top 40 (\$m) v S&P ASX200 2009-'10



## BIOMD

Biomd says it has achieved its first milestone in its Adapt-treated bovine tissue heart valve feasibility study with another company's heart valve.

Biomd said the study was conducted by its 76 percent subsidiary Celxcel with an unnamed "major global heart valve manufacturer" to test the feasibility of elements of the Adapt technology for one of their current commercial tissue heart valves.

The company said the first milestone was one of the most important and used the Adapt terminal sterilization technology to sterilize the valve within its final packaging.

Biomd said the study would continue into 2011 year with further elements of the technology being evaluated and tested.

Biomd managing director Michael Bennett said that if the level of success achieved so far "continued through the other testing, we would expect to have a commercial outcome for the use of the Adapt process in tissue heart valve production".

Mr Bennett said the milestone would not result in a cash payment, but a great deal of in-kind cooperation.

Biomd said Celxcel was in discussions with the manufacturer on the next steps which would include further testing of the potential for integration of the Adapt technology into one of the company's US Food and Drug Administration- approved tissue heart valves.

Biomd said it expected that the study would become an integral part of the manufacturer's 2011 research and development program and would lead to the quantification of the multiple business opportunities for the two companies.

Biomd was unchanged at 4.6 cents.

## SUNSHINE HEART

Sunshine Heart hopes to raise up to \$11 million through a five-for-seven share rights issue at 2.8 cents a share.

Sunshine Heart said the record date for the rights issue was November 15, 2010, the offer opens on November 16 and closes on November 30, 2010.

The company said one free unlisted option, exercisable at 3.2 cents within four years of the date of grant, would be issued with every two new shares acquired.

Sunshine Heart said the funds would be used for US regulatory trials of its C-Pulse aorta cuff pump, apply for Conformité Européenne (CE) mark approval and continued development of its devices and list on the Nasdaq.

Sunshine Heart said the rights issue would be managed by RBS Morgans.

Sunshine Heart was up 0.1 cents or 3.6 percent to 2.9 cents.

## ANTISENSE THERAPEUTICS

Antisense expects to raise \$2.4 million through a fully underwritten renounceable one-for-two share rights issue at 0.8 cents a share.

Antisense said one free attaching option exercisable at 1.1 cents by July 31, 2010 would be issued with every five shares acquired.

The company said the record date was November 10, 2010, the offer opened on November 16 and closed on December 2, 2010.

Antisense said the funds would be used to move ATL1103 for growth and sight disorders into clinical development, continue the company's licencing strategy for ATL1101 for cancer and ATL1102 for multiple sclerosis and asthma, as well as working capital.

Antisense said the rights issue was underwritten by Patersons Securities.

Antisense was unchanged at 1.4 cents with 1.1 million shares traded.

### ACRUX

Acrux has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from \$2.36 cents on October 18, 2010 to \$3.00, a 27.1 percent increase, on October 29, 2010, and noted an increase in trading volume.

Acrux said its consolidated operating result for the six months to December 31, 2010 could vary by more than 15 percent from the previous corresponding period.

Acrux climbed seven cents or 2.3 percent to \$3.07 with 1.9 million shares traded.

### ANTEO DIAGNOSTICS

Anteo shareholders will vote to issue up to 20,800,000 options to the company's directors. Anteo will vote on the issue of 13,000,000 options to chief executive officer Dr Geoffrey Cumming, 5,000,000 options to chairman James Henderson, 1,400,000 options to Richard Martin and 1,400,000 options to Laura Iacusso. The options are exercisable at seven cents each by October 19, 2014.

Anteo will vote on the re-election of directors Mr Martin and Ms Iacusso.

The meeting will be held at Level 5, 56 Pitt Street, Sydney, on November 30, 2010 at 10.30am (AEDT).

Anteo fell 0.3 cents or 5.3 percent to 5.4 cents with one million shares traded.

### TYRIAN DIAGNOSTICS

Tyrian shareholders will vote to issue performance rights to chief executive officer Dr Jenny Harry and shares to chairman Roger Amos.

Tyrian will vote on the issue of 12,154,197 performance rights and 6,021,898 shares to Dr Harry and \$45,000 in shares to Mr Amos. Tyrian will vote on the re-election of Mr Amos.

The meeting will be held at the Marriott Hotel Courtyard, 7-11 Talavera Road, North Ryde, Sydney, on November 29, 2010 at 3pm (AEDT).

Tyrian fell 0.1 cents or 9.1 percent to one cent with 1.2 million shares traded.

### FERMISCAN

Fermiscan shareholders will vote to issue up to 400,000,000 shares for placements and convertible notes.

Fermiscan said the issues would increase its capital from 154,000,000 shares to 554,000,000 shares. Fermiscan will vote on the re-election of directors Ian Chalmers, Ben Dillon and Robert Whitton.

The meeting will be held at the William Buck, Level 29, 66 Goulburn Street, Sydney, on December 1, 2010 at 3pm (AEDT).

Fermiscan was untraded at three cents.

### SOLAGRAN

Solagran says its net operating cash burn for the three months to September 30, 2010 was \$1,598,000 with cash at the end of the quarter of \$1,065,000.

Solagran said its Russian subsidiary had about \$US1 million of a \$US2 million overdraft available, along with hoped for sales and it was "exploring a variety of financing options".

Solagran was unchanged at 13 cents.

## BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Nov-09	Oct-10	Nov-10
Cochlear	3,629	3,974	4,022
CSL	19,080	18,176	18,060
Resmed	4,117	5,125	5,170
<b>BDI-20</b>			
Acrux	304	390	490
Alchemia	105	93	100
Antisense	38	8	8
Bionomics	92	88	88
Biota	492	172	175
Cellestis	336	226	231
Chemgenex	212	96	153
Clinuvel	94	62	55
Genera	45	28	30
Heartware	418	1,014	976
Impedimed	79	109	115
Living Cell	79	50	43
Mesoblast	143	398	402
Nanosonics	94	179	204
Pharmaxis	554	490	637
Sirtex	329	273	337
Starpharma	118	134	168
Sunshine Heart	24	16	15
Tissue Therapies	13	32	61
Universal Biosensors	266	228	252
<b>Second 20</b>			
Advanced Surgical	11	13	14
Benitec	16	17	15
Cathrx	42	39	37
Cellmid (ex-MTY)	7	7	7
Circadian	33	26	28
Compumedics	28	23	19
Genetic Tech	21	11	11
Immuron (Anadis)	18	26	27
LBT Innovations	13	9	8
Optiscan	11	6	5
Patrys	20	14	18
Phosphagenics	57	69	89
Phylogica	21	12	14
Prana	42	30	30
Prima	86	73	96
Psivida	68	91	115
QRX Pharma	82	102	99
Uscom	31	13	17
Viralytics	9	18	19
Virax	7	5	5

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

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