



# Biotech Daily

Monday July 28, 2008

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECHS DOWN: ACRUX UP 7.5%, AGENIX DOWN 14%**
- \* **AGENIX CHINA'S HEADS TO ROLL, LEGAL ACTION BEGINS**
- \* **FMR, FIDELITY CEASES SUBSTANTIAL IN COCHLEAR**
- \* **ADVANCED OCULAR OPTIONS TO RAISE \$431k**
- \* **IM MEDICAL 'CONFIDENT OF FUNDS'**
- \* **ARANA APPOINTS DR ALAN SCOTT HEAD OF CLINICAL RESEARCH**

## MARKET REPORT

The Australian All Ordinaries Index fell 0.8 percent on Monday July 28, 2008, falling 41.1 points to 4,989.9 points.

Six of the Biotech Daily Top 40 stocks were up, 18 fell, 10 traded unchanged and six were untraded.

Acrux was best, up nine cents or 7.5 percent to \$1.29 cents on modest volumes, followed by Optiscan and Neuren both up 4.35 percent to 24 cents and 12 cents, respectively.

Clinuvel climbed 3.23 percent and Peplin was up 1.45 percent.

Agenix led the falls, down 0.3 cents or 13.64 percent to 1.9 cents with 1.9 million shares traded, followed by Cathrx down 11.25 percent to 71 cents.

Polartech lost 7.41 percent; Bionomics was down 6.85 percent; Antisense and Mesoblast were down more than five percent; Biota, Proteome and Ventracor fell more than four percent; Progen was down 3.7 percent; Avexa. CSL and Prana shed more than two percent; with Chemgenex, Cochlear, Pharmaxis, Phylogica and Starpharma down more than one percent.

## AGENIX

Agenix will replace its Chinese chief executive officer Jonathan Zhang and chief operating officer Richard Wang following the failure to complete a \$16.5 million corporate takeover. Last week Agenix said a local government authority had failed to provide a waiver to complete the share transfer for takeover of Shanghai Rui Guang Bio-Pharma Development and 96 percent of related company, Shanghai Yi Sheng Yuan Pharmaceutical (YSY) (see Biotech Daily; July 24, 2008 and June 6, 2007). The landlord and four percent shareholder is the Economic Association of Zhou Pu Town, Nanhui District, Shanghai, the township in which YSY's factory and operations are located. Agenix chief executive officer Dr Stephen Phua told Biotech Daily from Shanghai last week that the sale of the 96 percent had been done and the company needed the waiver for completion.

He said the contract was issued under the law of the Peoples' Republic of China and the next step was to go to the local authorities for arbitration.

Today the company said it was taking "legal proceedings to parties involved in the acquisition agreement to secure the immediate registration of share transfer of the Chinese entities".

Agenix said director Jonathan Zhang who was the chief executive and co-founder of the Chinese operations would be replaced in China by Anthony Lee, a member of the board of Agenix.

Mr Zhang and Richard Wang will be replaced as executives and Dr Phua was "in the process of taking effective direct control over the Chinese business to ensure the continual market penetration of [the hepatitis B drug] Youheding and to implement a series of new business strategies to drive better sales and marketing performance".

Agenix fell 0.3 cents or 13.64 percent to 1.9 cents with 1.9 million shares traded.

## COCHLEAR

The US based FMR Corp and Fidelity Investments has again reduced its holding in Cochlear, this time to less than five percent of the company.

On July 24, 2008 FMR Corp and Fidelity Investments reduced its holding from 3,053,811 shares (5.49%) 2,775,769 shares (4.99%).

FMR Corp and Fidelity reduced its holding in Cochlear by one percent on June 4, June 13, June 25, June 30 and July 22, 2008.

Throughout 2007, FMR and Fidelity increased its holding in both Cochlear and CSL.

This is the sixth reduction in Cochlear and for the first time FMR and Fidelity also reduced its CSL holdings by one percent (see Biotech Daily; July 24, 2008).

Cochlear fell 71 cents or 1.55 percent to \$45.42.

## ADVANCED OCULAR SYSTEMS

Advanced Ocular hopes to raise \$431,079 through a one option-for-two shares and a one option-for-two options offer at 0.1 cents and option exercisable at 2.5 cents.

The record date for eligible option and shareholders is July 31, 2008.

A total of 431,078,857 new options will be offered.

Advanced Ocular said the funds were for working capital and to "provide a future opportunity to raise new proceeds of up to \$10.6 million, if the options are exercised".

Cygnat Capital has underwritten the issue and will be paid a fee of five percent of gross proceeds.

Advanced Ocular fell 0.1 cents or 12.5 percent to 0.7 cents.

## IM MEDICAL

IM Medical says it is a going concern despite cash reserves only slightly greater than the last quarter cash burn.

IM Medical said it had a total operating and investing cash burn of \$1,025,000 for the three months to June 30, 2008 and cash at the end of the quarter of \$1,184,000.

IM Medical chief executive officer Roman Najdecki told Biotech Daily that the company had made a number of cost savings.

"I am confident that funding will be in place to secure the company's future," Mr Najdecki said.

IM Medical fell 0.3 cents or 20 percent to 1.2 cents.

## ARANA

Arana has appointed Dr Alan Scott as its vice-president of clinical research.

Arana said the appointment was "an important step" in its development, with several clinical trials expected to begin in the next 18 months.

The company said its next scheduled clinical trial would be the phase II rheumatoid arthritis dose-ranging study for its leading anti-inflammatory compound ART621, expected to start by the end of 2008.

Dr Scott will report to Arana's chief medical officer Dr David Fuller and his primary responsibility will be the operational management of the clinical trial program.

Dr Scott holds a Doctorate of Philosophy from Glasgow University and has more than 12 years experience in clinical development in Europe and the Asia Pacific region.

Prior to joining Arana Dr Scott was director of Site Start Up for contract research organization Quintiles Transnational.

Before entering the clinical research industry, Dr Scott held a post-doctoral position in biochemistry at the University of Oxford.

Arana fell half a cent or 0.5 percent to 99.5 cents.