



Biotech Daily

Monday January 19, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS UP: GENERA UP 18%, LIVING CELL DOWN 8%**
- * **TISSUE THERAPIES UP 42% ON VITROGRO TRIAL RESULTS**
- * **AUSBIOTECH: 'BIOTECH POTENTIAL TO CURE DOWNTURN, NEEDS HELP'**
- * **NEUREN REQUESTS 'BUSINESS STRATEGY' TRADING HALT**
- * **IMPEDIMED WINS US-AUSTRALIAN INNOVATION SHOOT OUT**
- * **BDI-40 WITH MARKET CAPITALIZATION**

MARKET REPORT

The Australian stock market climbed 1.1 percent on Monday January 19, 2009 with the S&P ASX 200 up 38.4 points to 3,589.3 points.

Fifteen of the Biotech Daily Top 40 stocks were up, nine fell, seven traded unchanged and nine were untraded.

Genera was best, up four cents or 18.18 percent to 26 cents with 24,000 shares traded, followed by Cathrx up eight cents or 17.78 percent to 53 cents and Benitec up 0.4 cents or 11.76 percent to 3.8 cents.

Phosphagenics climbed 9.09 percent; Mesoblast was up 8.02 percent; Sunshine Heart rose 7.60 percent; Polartech improved 6.9 percent, Resmed and Universal Biosensors were up more than three percent; Arana, Bionomics and Clinuvel rose more than two percent; with Cochlear and Ventracor up more than one percent.

Living Cell led the falls, down one cent or 8.33 percent to 11 cents with 30,000 shares traded, followed by Viralytics down eight percent to 4.6 cents and Chemgenex down 6.12 percent to 46 cents.

Novogen lost 5.26 percent; Impedimed and Labtech fell four percent or more; Cytopia was down 3.57 percent; Tyrian shed 2.44 percent; with Acrux down 0.84 percent.

TISSUE THERAPIES

Tissue Therapies says its Western Australia Vitrogro safety trial has shown statistically significant improvement in the treatment of venous ulcer wounds.

Tissue Therapies said the final report of the trial of eight venous ulcer patients treated with Vitrogro twice a week showed a reduction in median wound area from 9.2 to 5.2 square centimetres in 24 days.

The company said the trial was conducted at Fremantle Hospital's Vascular Research Laboratory headed by Prof Michael Stacey.

Tissue Therapies' chief executive officer Dr Steven Mercer told Biotech Daily that 1.0ml of Vitrogro liquid was applied twice a week to the venous ulcers in the study.

He said Vitrogro could be produced as a gel as well as impregnated into bandages.

Dr Mercer said the first three patients in the study had completely healed.

In its announcement to the ASX Tissue Therapies said the reduction in wound area was "highly statistically significant" ($p < 0.01$) and that Vitrogro was safe and well tolerated.

Five females and three males were enrolled in this human trial, with median age of 74 years.

The median duration of the venous ulcers treated was six months, with a range of one to 29 months.

The treated ulcers ranged in size from 2.2 to 19.0 square centimetres, with a median size of 9.2 square centimetres.

Four of the eight subjects began bandage compression therapy at the start of the study, while the other four had been treated with bandage compression for periods varying from two to more than 24 months.

The company said compression therapy was the best practice treatment for venous ulcers.

Since compression therapy was started at the same time as Vitrogro treatment in four patients, Tissue therapies said it was "not possible to attribute the healing of these patients solely to the use of Vitrogro".

"However, the reduction in wound area was highly statistically significant," the company said.

Tissue Therapies said 11 adverse events were recorded but none were attributed to the Vitrogro treatment.

"Everyone at Tissue Therapies is delighted with the results of this study," Dr Mercer said in the media release.

"These are consistent with our understanding of how Vitrogro works and give us even more confidence that the larger Canadian study will produce exceptional clinical results," he said.

Tissue Therapies said recruitment was proceeding to plan in Toronto, Canada, for the trial of Vitrogro for the treatment of diabetic, venous and pressure ulcers, under the direction of wound care expert, Prof Gary Sibbald.

Dr Mercer told Biotech Daily that six patients had been enrolled with results expected in the first half of 2009.

He said the company was considering a second trial at the Fremantle Hospital but was focused on the Toronto trial for the time being.

He said the Australian data could be used for regulatory approval and that Vitrogro was being considered as a device rather than as a pharmaceutical because it is a non-systemic topical application.

Tissue Therapies was up 6.5 cents or 41.94 percent to 22 cents with 1.0 million shares traded, believed to be the largest trading volume in the company's history.

AUSBIOTECH

Ausbiotech's chief executive officer Dr Anna Lavelle says the biotechnology sector is "bright and promising ...a key economic and social driver", but needs government help. In a media release entitled 'Biotech: potential to cure economic downturn, but needs help' Dr Lavelle said "the current climate has created a funding drought and an uncertain future [and] ... as a result of economic woes, the sector needs critical support from governments to survive".

"This is not the time to abandon the biotechnology sector, starving young projects and companies of much-needed funding to continue innovation," Dr Lavelle said.

Dr Lavelle said the 2009 May Federal Budget was an opportunity "to give our biotechnology sector the shot in the arm it so desperately needs, which will ultimately benefit us all".

"The cost of inaction will be greater than the cost of acting if we delay the development of modern treatments for diseases such as cancer and diabetes," Dr Lavelle said.

Dr Lavelle said a short term view or a let-market-forces-prevail attitude would prompt a "vital part of the biotech food chain to disappear and potentially the whole ecosystem of biotechnology in this country to falter."

She said that until recently the industry was considered vibrant, contributing as a key driver of social and economic health.

Dr Lavelle said capital raised by listed biotechs "plummeted from \$943 million in 2007 to \$183 million in 2008".

"This is exactly the right time to ensure the future of biotechnology. Innovation will provide a key weapon in Australia's fight against recession pressures. Now is not the time to stop investing for the longer term, but to respond supportively to the challenges," she said.

NEUREN

Neuren has requested a trading halt pending an announcement "concerning the business strategy for the company in light of the recent trial results for Glypromate".

The pivotal US phase III Glypromate trial showed the drug was equal to placebo for cognitive ability following cardiac bypass surgery and development of the drug has been discontinued (BD: Jan 16, 2009).

Neuren said the announcement would discuss "the development plans for the company's second lead candidate, NNZ-2566, and other compounds.

Trading will resume on January 21, 2009 or on an earlier announcement.

Neuren last traded at 1.2 cents.

IMPEDIMED

Impedimed has claimed victory in the January 15, 2009 'Australian Innovation Shoot Out' in California, held as part of the annual G'Day USA Australia Week.

Impedimed said the contest was part of a two day program in Los Angeles and Silicon Valley "to highlight Australia's world class innovation and investment potential".

Companies were selected from each of six states in Australia.

Impedimed chief executive officer Greg Brown said that through the Innovation Shoot Out his company "had very positive exposure to many top tier US investment funds".

"Interest in the Impedimed investment opportunity from the US investors was very strong," Mr Brown said.

Impedimed fell three cents or four percent to 72 cents.

BIOTECH DAILY TOP 40 WITH MARKET CAP

Big Caps \$Am	Jan 2, 2009	Dec 1, 2008	Nov 3, 2008
Cochlear	3,101	3,094	3,189
CSL	20,321	20,919	21,936
Resmed	3,887	4,072	3,746
Top 20			
Acrux	76	74	105
Alchemia	26	23	27
Arana	190	186	182
Avexa	31	45	49
Bionomics	53	55	61
Biota	58	64	59
Cellestis	168	180	193
Chemgenex	111	99	110
Cytopia	15	14	13
Heartware	185	130	161
Impedimed	60	52	54
Living Cell	24	33	43
Mesoblast	121	106	109
Novogen	70	79	98
Peplin	59	47	58
Pharmaxis	235	233	292
Phosphagenics	51	50	43
Sirtex	94	106	118
Starpharma	35	36	52
Universal Biosensors	93	69	74
Second 20			
Antisense	20	22	26
Benitec	11	9	15
Bone Medical	17	25	25
Cathrx	21	28	28
Circadian	26	25	31
Clinuvel	73	64	76
Genera	11	9	15
Genetic Tech	19	17	14
Labtech	12	12	16
Optiscan	7	7	7
Phylogica	7	7	9
Polartech	42	22	19
Prana	64	61	73
Progen	47	47	40
Psivida	13	15	16
Stem Cell Sciences	5	5	6
Sunshine Heart	12	16	18
Tyrian	7	11	15
Ventracor	20	23	23
Viralytics	11	14	14

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Biota, Chemgenex, Cytopia and Stem Cell Sciences as well as non-biotechnology stocks. These are liable to change at any time.

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