



Biotech Daily

Wednesday June 10, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN; CATHRX UP 10%, ANTISENSE DOWN 12.5%**
- * **BIOMD: INDEPENDENT US VALIDATION OF ADAPT TECHNOLOGY**
- * **PROGEN BOARD SPILL EGM NOTICE; NEW SUBSTANTIAL HOLDERS**
- * **BIOSIGNAL CFO ROBERT VICKERY LAST TO LEAVE**
- * **CEPHALON CLARIFIES CEO 'ON-MARKET' ARANA COMMENT**
- * **GENETIC TECHNOLOGIES' GERMAN PATENT DISPUTE ENDS**
- * **1000 ELLEX LASERS 'A MILESTONE'**
- * **GENESIS R&D DIRECTO NOMINATIONS OPEN**
- * **EASTLAND DIRECTOR DOUGLAS SIMS RESIGNS**

MARKET REPORT

The Australian stock market climbed 2.3 percent on Wednesday June 10, 2009 with the S&P ASX 200 up 89.5 points to 4,024.4 points.

Twelve of the Biotech Daily Top 40 stocks were up, 15 fell, nine traded unchanged and four were untraded. All three Big Caps were up.

Cathrx was best for the second day in a row, up five cents or 9.8 percent to 56 cents with 40,150 shares traded, followed by Genetic Technologies, Peplin and Tyrian all up 8.33 percent to 6.5 cents, 2.6 cents and 65 cents, respectively.

Prana climbed 5.6 percent; Optiscan was up 4.3 percent; Biota, CSL, Progen and Tissue Therapies rose two percent or more; Clinuvel and Sirtex were up more than one percent; with Acrux, Cochlear and Resmed up by less than one percent.

Antisense led the falls, down half a cent or 12.5 percent to 3.5 cents with 50,962 shares traded, followed by Cytopia down 10 percent to nine cents.

Novogen and Polartech lost eight percent or more; Nanosonics and Phosphagenics fell more than six percent; Alchemia and Living Cell fell more than five percent; Avexa was down 4.2 percent; Starpharma shed 2.9 percent; with Cellestis, Chemgenex and Heartware were down more than one percent.

BIOMD

Biomd says it has received independent validation of its core Adapt tissue engineered process.

Biomd said the report was authored by Harvard Medical School's Prof Frederick J Schoen and assessed the histology or tissue structure of Adapt-treated heart-valve leaflet tissues. The company said the report concluded: "Based on the specimens examined, I conclude that the Adapt treatment inhibited calcification of pericardial tissue ... without apparent significant adverse effects such as inflammatory reaction or degeneration".

Biomd said the tissue specimens studied came from pre-clinical animal research previously undertaken by the company and compared to control specimens not treated with Adapt technology.

The company said calcification of a patient's own heart valves was a major contributor to the need for heart valve replacement surgery.

Biomd said cardiac tissue grafts used in the repair of heart deformities might also fail due to an immune response leading to inflammation and calcification.

Biomd said the expert report confirmed that tissue treated with the Adapt technology was resistant to calcification for the 12 month study period.

Biomd chief scientific officer and inventor of the technology Prof William Neethling said the report confirmed "the unique properties of our technology when compared to other currently available technologies".

Biomd was unchanged at three cents.

PROGEN

Progen investors will vote to remove the existing three directors and replace them with directors believed to represent Taiwanese interests.

The meeting resolutions call for the removal to chief executive officer Justus Homburg, chairman Stephen Jun Chi Chang and recently appointed director Dr Wolf Hanisch, replacing them with Thomas James Burt, Heng Hsin Tang and Joe Yeh-Chiao Lin.

A statement by the nominated replacement candidates focuses on the need to unlock the value in PI-88 Progen's drug for liver cancer.

A phase III trial of PI-88 was halted in 2008 triggering a demand from major investors for a return of funds raised for the trial along with a series of board spills, attempted mergers hostile mergers and failed mergers (BD: Jul 23, 2008).

The statement expresses a lack of confidence in the existing board to achieve maximum value for PI-88.

The existing board said there was no information available about the qualifications or experience of the nominated replacement directors and that their intentions were unclear.

"The board believes that this and previous requisitions are designed to drive the agendas of third parties which are not in the interests of Progen and its shareholders as a whole.

Shareholders deserve a full explanation of what, if any, agendas lie behind this or any other requisition," the existing Progen directors said.

The meeting will be held at Fairways Room, Indooroopilly Golf Club, Meiers Road, Indooroopilly Queensland, on July 17, 2009 at 3pm.

Separately, a substantial shareholder notice was filed, citing Su-Hua Chuang, Fu-Ying Wang, Fu Mei Wang and Pai-Mao Lin as holding a 2,122,781 Progen shares (8.59%). Su-Hua Chuang, Fu-Ying Wang and Fu Mei Wang were the signatories to the requisition of extraordinary general meeting document (BD: May 22, 2009) and are believed to be associated with Medigen the company running the discontinued PI-88 trial.

Progen was up two cents or 2.41 percent to 85 cents.

BIOSIGNAL

Biosignal says Robert Vickery has tendered his resignation as company secretary and chief financial officer.

The company said director Timothy Morrison would replace Mr Vickery as company secretary.

Biosignal said the Canberra-based Viisum Chartered Accountants had been retained to manage its financial affairs.

In April Empire Investments acquired a holding in Biosignal and control of the board, but the first three Empire nominated directors retired in May followed by the founder and inventor Prof Peter Steinberg (BD: Apr 28, May 7 and 21, 2009).

Last month Prof Steinberg and former chairman John Keniry filed formal complaints to the Australian Securities and Investments Commission regarding the takeover of the company by Empire Investments (BD: May 28, 2009).

There are no executives or directors at Biosignal other than those appointed by Empire Investments.

Biosignal was up 0.1 cents or four percent to 2.6 cents.

ARANA

Cephalon says it has not made a decision whether to extend its takeover offer for Arana beyond June 15, 2009.

Cephalon said it was responding to comments in today's Melbourne Herald-Sun attributed to Cephalon's chairman and chief executive officer Dr Frank Baldino.

Dr Baldino was quoted saying that if the company did not reach 90 percent of acceptances by the end of the offer, the company would buy the shares required for compulsory acquisition on-market.

Cephalon has offered \$1.40 a share for receiving more than 50.1 percent of acceptances with an offer of \$1.45 a share if it reaches the compulsory acquisition level of 90 percent.

A spokesman for Cephalon said the company had increased its acceptance to 202,635,471 shares or 88.87 percent leaving just 1.13 percent of acceptances to be acquired over four trading days, including today.

Arana was unchanged at \$1.39.

GENETIC TECHNOLOGIES

Genetic Technologies says a nullification action filed in the German Federal Patent Court has been withdrawn, with the approval of the Court.

Genetic Technologies said the action had been brought by Bioscientia Institut fuer Medizinische Diagnostik GmbH of Ingelheim against German Patent No. 69029018.7, which is owned by the Australian company.

Genetic Technologies said the patent was part of its worldwide family of patents covering "non-coding DNA".

The company said the patents formed the basis of its out-licencing program.

"While the company believes this is a positive outcome, the action related only to the German part of a European patent, a jurisdiction that has not historically been a significant source of licencing revenue," Genetic Technologies said.

The company said Bioscientia had no right of appeal.

Genetic Technologies climbed half a cent or 8.3 percent to 6.5 cents.

[ELLEX MEDICAL LASERS](#)

Ellex says more than 1,000 selective laser trabeculoplasty systems were installed around the world.

Ellex manufactures ophthalmic laser and ultrasound systems and said it was one of the first companies to manufacture selective laser trabeculoplasty (SLT) systems for glaucoma.

Ellex said it partnered with Coherent (now Lumenis) in 2001 to develop and supply the Selecta Duet SLT system, resulting in more than 500 systems through March 2006, when the agreement came to an end.

Ellex chief executive officer Simon Luscombe said it was “a tremendous milestone for Ellex and one that speaks to the utility of SLT in the treatment of glaucoma”.

“This milestone also underpins our continued dedication to advance the role of ophthalmic laser technology for ophthalmologists around the world,” Mr Luscombe said

Ellex was up two cents or 16 percent to 14.5 cents.

[GENESIS RESEARCH AND DEVELOPMENT](#)

Genesis Research and Development says the period for director nominations has opened and will close at 9am on June 25, 2009, New Zealand Time.

Genesis was untraded at five cents.

[EASTLAND MEDICAL SYSTEMS](#)

Eastland Medical Systems says Douglas Sims has retired as a director.

Eastland was up 0.2 cents or 6.06 percent to 3.5 cents.