



Biotech Daily

Tuesday May 19, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: NOVOGEN UP 75%, ANTISENSE DOWN 13.5%**
- * **NOVOGEN JUMPS 115%; PLEADS SCHULTZ, BLOG TO ASX QUERY**
- * **GENERA PLACEMENT RAISES \$3m, AUSTRALIAN ETHICAL ON-BOARD**
- * **HEADLINE CORRECTION**
- * **CEPHALON LESS THAN 1% FROM ARANA TAKEOVER**
- * **ATCOR CLAIMS 70% SALES GROWTH IN 2008-'09**
- * **MACFARLANE BURNET INSTITUTE DEVELOPS HIV CD4 TEST**
- * **FLOREY NEUROSCI CREATES PARKINSONS' WRISTWATCH MONITOR**

MARKET REPORT

The Australian stock market climbed 2.2 percent on Tuesday May 19, 2009 with the S&P ASX 200 up 81.7 points to 3,817.3 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and five were untraded.

Novogen was best for the second day in a row, up 44 cents or 75.2 percent to \$1.025 with 719,830 shares traded, followed by Living Cell up 12.8 percent to 22 cents and Genera up 10.6 percent to 52 cents.

Phylogica and Universal Biosensors climbed six percent or more; Acrux and Peplin were up more than five percent; Nanosonics, Optiscan and Prana rose more than two percent; Clinuvel, Impedimed and Psivida were up more than one percent; with Arana and Cochlear up by less than one percent.

Antisense led the falls, down half a cent or 13.5 percent to 3.2 cents with 199,470 shares traded, followed by Benitec down 9.8 percent to 3.7 cents.

Progen fell 7.2 percent; Polartech lost 4.2 percent; Biota, Cellestis and Viralytics were down more than three percent, Alchemia, Chemgenex, Circadian, Mesoblast, Pharmaxis and Sirtex fell more than one percent; with CSL and Resmed down less than one percent.

NOVOGEN

Novogen's share price opened up 67.5 cents or 115.38 percent at \$1.26 following an overnight 127 percent rise on the Nasdaq to \$US4.93 per American Depositary Receipt. There are five Australian shares per ADR giving an Australian valuation at current exchange rates of \$1.28.

Yesterday Novogen closed up 10.5 cents or 21.88 percent to 58.5 cents with 60,551 shares traded.

Novogen managing director Christopher Naughton told Biotech Daily that he had no explanation for the sudden jump in share price other than that some investors closely followed stocks and relied on charts to make their investments.

Last month Novogen stopped enrolling patients in its phase III US Food and Drug Administration-approved trial of phenoxodiol for ovarian cancer citing slow enrolments and necessary cost savings (BD: Apr 15, 2009).

Novogen said at the time that data analysis for the primary endpoint of progression free survival was expected to be completed within three months and the secondary endpoint of overall survival could not be analyzed until 18 months after the last patient was randomized, or sooner if there were no patients surviving.

Novogen told the ASX today that it was not aware of any information it had not announced which, if known, could explain recent trading in its securities.

The company told the ASX there was a blog site operated by a former employee and company founder.

Dr Graham Kelly resigned from Novogen in 2006 holding about eight million shares (BD: Oct 30, 2006). He served as chairman and chief executive officer of Novogen.

Dr Kelly's comments are at <http://www.kellymusings.com/ovature.php> and were apparently posted on May 16, 2009.

Mr Naughton told Biotech Daily that he would not comment on blog sites.

A cursory analysis of Novogen's course of trades today indicates the share buying is unlikely to be day-trading.

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GENERA BIOSYSYEMS

Genera says a placement of 7,475,000 shares to sophisticated and professional investors at 40 cents a share has raised up to \$2.99 million before costs.

Genera said related entities to its directors invested about \$200,000 of the total.

An extraordinary general meeting will be called to ratify the investment.

Genera said the placement includes 4.5 million shares placed to Australian Ethical Investments, a Canberra-based independent funds manager, to raise \$1.8 million.

The placement will fund the company through to Australian Therapeutic Goods Administration registration for Papttype and the availability of a Conformité Européenne (CE) marked product.

Genera said funds would be used to develop the package of clinical data provided to potential Papttype strategic partners, thus enhancing the value of Papttype to those parties. The company said it would conduct further clinical studies in both Australian and US populations.

Biotech Daily editor David Langsam owns units in Australian Ethical trusts.

Genera was up five cents or 10.64 percent to 52 cents.

CORRECTION: MARKET HEADLINE

Last night's edition carried the headline 'ASX Up, Biotech Down', when in fact both were down. The market report was accurate. The mistake was made by the sub-editor who has a second and final warning.

ARANA

Cephalon International Holdings increased its substantial shareholding in Arana from 108,690,522 shares (47.74%) to 111,992,629 shares (49.19%).

The change was through an increase in takeover acceptances (BD: Feb 27, Mar 2, May 14, 2009).

The offer is conditional on reaching 50.1 percent of acceptances by June 1, 2009.

Arana climbed one cent or 0.37 percent to \$1.355.

ATCOR MEDICAL

Atcor has increased its sales revenue guidance for 2008-'09 to more than \$11 million, up from \$10 million forecast in February 2009.

Atcor said the sales revenue for its Sphygmacor non-invasive central blood pressure measurement device would be a 70 percent increase over the previous year's sales.

Atcor chief executive officer Duncan Ross said the "improvement in our rate of growth demonstrates the increasing success of our sales strategy, together with some gains from the weaker Australian dollar".

"Of particular note is the expansion of the pharmaceutical trials market, which also provides further endorsement of the importance of central blood pressures in disease management," Mr Ross said.

Atcor was climbed one cent or five percent to 21 cents.

MACFARLANE BURNET INSTITUTE

Victorian Innovation Minister Gavin Jennings has launched two diagnostics at BIO 2009 in Atlanta.

Mr Jennings said an enzyme-linked immunosorbent assay (Elisa) test, developed by researchers at the Melbourne-based Macfarlane Burnet Institute, provided "a simple way for clinicians to monitor the key CD4 T-cells in people with HIV.

A media release said CD4 cells were used as an accurate marker of the disease's progression because HIV targeted these cells, reducing their levels and weakening the immune system which can result in the onset of AIDS.

Mr Jennings said the Elisa test was "good news for the 40 million people worldwide diagnosed with HIV - a virus that continues to grow by three million new cases each year".

Mr Jennings said the current monitoring approach using flow cytometry was expensive, complex and only available in major laboratories.

The researchers led by Prof David Anderson and Prof Suzanne Crowe have formed a spinout company, Seed4, and have received \$377,000 from the Medical Research Commercialisation Fund, a \$30 million fund supported by the Victorian and New South Wales Governments, for ongoing development, the media release said.

Mr Jennings said CD4 T-cell levels was initially used to determine when patients should begin treatment and once on treatment, CD4 T-cells were monitored to ensure the viral load was effectively managed and the virus was not resistant to therapy.

HOWARD FLOREY NEUROSCIENCE INSTITUTES

Mr Jennings also showcased a wristwatch developed at the Florey Neuroscience Institutes that monitors the health of people with Parkinson's disease.

The wristwatch was designed by a team led by Prof Mal Horne and Dr Rob Griffiths to assist doctors treating people with Parkinson's disease by recording their symptoms throughout the day and in the longer term will assist researchers in the development of new drugs for the disease.

Mr Jennings said the Victorian Government was promoting innovative projects in Victoria "This is an excellent example of how Victorian scientists are moving from basic research into developing products that will clearly benefit patients and their families," Mr Jennings said.

"The right dosage and correct timing of dosing has an enormous impact on the wellbeing of a person with Parkinson's disease. Currently neurologists can only check dosage and timing by observing the patient during consultations, which may be at six to eight week intervals," he said. "What this clever device does is provide the physician with an objective measurement of how a patient's symptoms have changed over time."

Mr Jennings said the device would assist in the development of drugs for Parkinson's disease which was hampered by an inability to accurately assess whether the treatment is effective.

The next stage of development for the wristwatch is being funded by the Medical Research Commercialisation Fund.

The fund's principal executive Dr Chris Nave said the fund had invested an initial \$490,000 in Global Kinetics Corp, a spinout from the Florey Neuroscience Institutes to enable researchers to further refine the watch and complete pivotal clinical trials.