



Biotech Daily

Wednesday October 8, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: CIRCADIAN UP 5%, PSIVIDA DOWN 16%**
- * **STEM CELL LICENCES CAMBRIDGE REPROGRAMMING TECHNOLOGY**
- * **CORRECTION: AGENIX TO RAISE \$800k**
- * **AUSBIOTECH'S 2008 'BUILDING A BIO-ECONOMY' CONFERENCE**
- * **BRAINZ SHUTS DOWN, SELLS ASSETS TO NATUS FOR \$1.2m**
- * **ATCOR SIGNS \$1.4m PHARMACEUTICAL CONTRACT**
- * **PRIVATE COMPANIES WIN \$64k FEDERAL GOVERNMENT COMET GRANTS**
- * **BIOTECH DAILY IN 'THE AUSTRALIAN'**
- * **AUSBIOTECH BOARD CHANGES**

MARKET REPORT

The Australian stock market lost 5.0 percent on Wednesday October 8, 2008 with the All Ordinaries down 228.1 points to 4,369.8 points.

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

Circadian was best, up 3.5 cents or 4.96 percent to 74 cents, followed by Optiscan up 3.13 percent to 16.5 cents.

Bionomics, Neuren, Prana and Starpharma climbed more than one percent; with Pharmaxis up 0.93 percent.

Psivida led the falls for the second day in a row, down 23 cents or 16.2 percent to \$1.19, followed by Mesoblast down 13.88 percent to 90 cents, Biota down 12.73 percent to 48 cents and Avexa down 10.34 percent to 13 cents.

Universal Biosensors lost 9.72 percent; Genetic Technologies, Peplin, Sunshine Heart and Viralytics all fell 8.33 percent; Novogen was down 7.83 percent; Alchemia lost 6.52 percent; Antisense and Sirtex fell five percent or more; Arana, Chemgenex, Heartware and Ventracor were down more than three percent; with Acrux, CSL and Resmed down more than two percent.

STEM CELL SCIENCES

Stem Cell Sciences will licence technologies for reprogramming adult cells into stem cells from Cambridge Enterprise.

Stem Cell Sciences said the technologies were created by the director of the Wellcome Trust Centre for Stem Cell Research at the University of Cambridge, Prof Austin Smith, who is also chairman of Stem Cell Sciences' scientific advisory board.

The company said that during the past 20 years Prof Smith "pioneered new techniques for generating high quality stem cells, which are expected to have enormous potential in medical research, drug discovery and for the development of cell-based therapies".

A media release from Stem Cell Sciences said Cambridge Enterprise was the technology transfer company for the University of Cambridge.

The licence relates specifically to patents and know-how for technologies used to generate induced pluripotent stem cells or iPS cells from mammalian cells.

Stem Cell Sciences said "this new approach offers the significant benefit that mammalian embryos are not required as the starting point for generating pluripotent stem cells".

The company said the novel growth media developed for the generation of induced pluripotent stem cells were expected to be valuable additions to its media offering, an important and growing source of revenue.

Stem Cell said it had built "a strong portfolio" of intellectual property around the development and commercialization of stem cell technologies and this licence further strengthened the portfolio.

In addition, the new licence enhances the company's close relationship and continuing collaboration with Prof Smith, whose earlier discoveries at the University of Edinburgh, have also been exclusively in-licensed by the company, Stem Cell said.

Stem Cell Sciences chief executive officer Dr Alastair Riddell said that "two of the largest issues facing companies working in the stem cell field are first, creating and growing consistently pure populations of human stem cells as a basis for further medical and pharmaceutical research; and second, avoiding using human embryos from which to generate those stem cells".

"We believe that, through this new licence with Cambridge Enterprise and other intellectual property to which we have exclusive access, Stem Cell Sciences has the ability to successfully overcome these issues and to drive future stem cell technology developments forward both from an academic and commercial perspective," Dr Riddell said.

Cambridge Enterprise's head of life sciences Dr Iain Thomas said the technology commercialization with Prof Smith and Stem Cell Sciences had "the real potential to revolutionize stem cell research and contribute to the development of new therapies". Stem Cell Sciences was unchanged at 30 cents.

AGENIX

Yesterday's edition carried the headline 'Agenix convertible notes, placement to raise \$1m' and said the company hoped to raise \$800,000 through the issue of notes and \$200,000 through a private placement at two cents a share.

The company said it intended to raise \$600,000 through the convertible notes, not as reported.

We apologize for the sub-editor's mistake.

Agenix is in a voluntary suspension and last traded at 1.7 cents.

[AUSBIOTECH](#)

Ausbiotech's 2008 'Building a Bioeconomy' Conference will be held in Melbourne at the end of this month.

Ausbiotech said a comprehensive conference program together with an extensive bio-industry exhibition and business matching program would bring together "representatives from the global biotechnology industry to create a world leading event".

The industry organization said that more than 1,400 participants with more than 500 presidents, vice-presidents, chief executive officer, executive officers, managing directors and chief scientific officers from national companies will be attending the conference from October 26-29.

Ausbiotech said the plenary speakers included the president of the California Institute for Regenerative Medicine Dr Alan Trounson; National Australia Bank chief executive officer Ahmed Fahour; Commonwealth Scientific and Industrial Research Organisation's deputy chief executive for science strategy and investment Dr Alastair Robertson; the Africa Harvest Biotech Foundation International chief executive officer Dr Florence Wambugu; Burrill & Co managing director Benjamin Chen.

Ausbiotech said the conference would feature plenaries and concurrent sessions, an industry exhibition for participants to promote their businesses and products.

Ausbiotech said the business matching program would give delegates "the opportunity to update their company profile in the bio-partnering system and request appointments with other delegates/company representatives attending the event in a meeting room atmosphere on a half hour or hourly basis".

The conference will be at the Melbourne Convention Centre, Clarendon Street, Melbourne.

[BRAINZ INSTRUMENTS](#)

Brainz Instruments says it will sell all its trading assets to Natus Medical Incorporated for \$NZ1.3 million (\$A1.17 million).

Brainz said Natus would acquire essentially all of its trading assets, including products, intellectual property and brand.

Brainz will retain its cash as well as the responsibilities related to its employees.

Natus is a Delaware corporation.

The agreement is subject to approval by Brainz shareholders and requires that Natus assumes Brainz's obligations under various distribution and customer agreements on terms reasonably acceptable to the parties, including obligations in respect of express product warranties and existing product support and maintenance obligations.

In the interim period before closing, Brainz will continue to deliver services to customers as usual and transitional plans will be made to ensure minimal customer disruption.

The date for the Brainz shareholders meeting to consider the agreement will be announced in the near future.

Brainz said that it had been advised by Tru-Test Corp that it intended to vote in favor of the transaction.

A break fee of \$NZ100,000 is payable by Brainz to Natus in the event that the shareholder approval is not obtained or if agreement is terminated.

Brainz climbed one cent or 55.56 percent to 2.8 cents.

ATCOR MEDICAL

Atcor has signed an agreement to supply Sphygmocor systems and clinical trial support services to an unnamed international pharmaceutical company.

Atcor said the minimum total value of the contract was US\$930,000 (\$A1,375,000), the majority of which would be recognized in the current financial year.

The company said the order brought the minimum total value of pharmaceutical trial contracts secured by Atcor in the past 130 days to more than \$US3.7 million.

Atcor chief executive officer Duncan Ross said the contract was “not only evidence of the increasing importance of Sphygmocor as a tool for understanding drug efficacy and mechanisms of action in pharmaceutical clinical trials but also reinforces its emerging importance as a drug therapy management tool in clinical practice”.

“The growing use of Sphygmocor systems in clinical trials and the increasing volume of publications concerning central blood pressures and arterial stiffness indicate a move toward establishment of a new standard for cardiovascular risk assessment and management,” Mr Ross said.

“Our rapid revenue growth is also a clear indication of the defensive nature of the healthcare industry in a challenging macro economic environment,” he said.

Atcor climbed one cent or 10.53 percent to 10.5 cents.

FEDERAL GOVERNMENT

Six private and unlisted biotechnology companies are among 57 projects awarded \$64,000 Federal Government ‘Commercializing emerging technologies’ grants.

The Minister for Innovation, Industry, Science and Research Senator Kim Carr said the 57 projects would receive a total of \$3.65 million in Commercializing emerging technologies (Comet) grants.

“Australia has an outstanding record in innovation,” Senator Carr said.

“Research and development is critical to our future and it is pleasing to see so many businesses taking advantage of Comet funding to help bring their innovative projects to the marketplace,” Senator Carr said.

The biotechnology and medical technology companies awarded grants are:

Nanomed Pty Ltd of New South Wales for Arise, a super-critical fluid-processing technology for generating nanoscale pharmaceutical powders and medical devices; Research It Online Pty Ltd of Queensland for open source software applications for medical research’

Geniad Pty Ltd, a Western Australia Institute of Medical Research spin-out for the Gene Mine, a unique genetic resource for drug rescue applications;

Histology-Online Pty Ltd of Western Australia for image intensive online courseware for medical and health science disciplines;

Global Kinetics Corporation Pty Ltd of Victoria for a wristwatch-style mobile monitor for the treatment of stage two Parkinson's disease patients; and

Blue Star Nutritionals Pty Ltd of South Australia for a range of nutraceutical formulations for gut health and hydration.

BIOTECH DAILY

The Australian newspaper commissioned Biotech Daily editor David Langsam to write an article on biotechnology stocks. The article can be found at:

<http://www.theaustralian.news.com.au/story/0.25197.24441506-5001942.00.html>.

AUSBIOTECH

Ausbiotech will appoint three new board members at its annual general meeting following its conference on October 29, 2008.

Minter Ellison special counsel Geraldine Farrell, Bionomics chief executive officer Dr Deborah Rathjen and Xceed executive director officer Dr Stewart Washer have been elected unopposed.

They replace the outgoing Prof Susan Pond, Benitec's Sue MacLeman and the Diabetes Vaccine Development Centre's Dr David Irving.

The other directors are Dr Anna Lavelle, Dr Simon Carroll, Dr David Crump, Michael Gilbert and Dr Greg Roger.