



Biotech Daily

Thursday October 9, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: PHOSPHAGENICS UP 14%, STEM CELL DOWN 23%**
- * **BIOMD IMPLANTS 10th BOVINE CARDIOCELL TISSUE PATCH**
- * **ARANA APPOINTS BIOFUSION'S GORDON BLACK DIRECTOR**
- * **ARANA TO BUY BACK 10% OF SHARES**
- * **AUSBIOTECH OKTOBERFEST**

MARKET REPORT

The Australian stock market lost 1.8 percent on Thursday October 9, 2008 with the All Ordinaries down 78.5 points to 4,291.3 points.

Ten of the Biotech Daily Top 40 stocks were up, 18 fell, seven traded unchanged and five were untraded.

Phosphagenics was best, up one cent or 14.29 percent to eight cents, followed by Universal Biosensors up 7.69 percent to 70 cents and Bone up 7.14 percent to 30 cents.

Sirtex climbed 5.26 percent; Cellestis was up four percent; Arana, CSL, Cytopia, Heartware and Resmed were up more than three percent; Novogen rose 2.83 percent; with Cochlear up 1.08 percent and Psivida up 0.84 percent.

Stem Cell Sciences led the falls, down seven cents or 23.33 percent to 23 cents, followed by Polartech down 15.0 percent to 8.5 cents and Living Cell down 11.76 percent to 15 cents.

Optiscan lost 9.09 percent; Neuren fell 8.11 percent; Benitec, Chemgenex and Pharmaxis were down more than seven percent; Ventracor was down 6.45 percent; Bionomics lost 5.08 percent; Alchemia, Acrux, Biota, Clinuvel, and Viralytics fell more than four percent; Peplin and Prana were down more than three percent; with Progen down 0.75 percent.

[BIOMD](#)

Biomd says it has implanted the tenth patient with its Cardiocel bio-implant in its South African phase II human clinical trial.

Biomd said South Africa had “a high incidence of congenital heart disease”.

The trial's primary objectives are to evaluate the safety, efficacy and clinical performance of the Cardiocel patch in cardiovascular surgical repair procedures.

Secondary endpoints are the evaluation of its design features, such as handling characteristics, shape and sizing requirements, as well as implant procedures.

The Cardiocel patches will be implanted into 50 patients requiring bio-prosthetic tissue substitution to support repair of atrial and ventricular septal defects, aortic root enlargements and outflow tract reconstructions.

Cardiocel patches are manufactured from bovine pericardium and treated with the Adapt tissue engineering process.

Biomd said patient would have a 12-month post-operative follow-up. Follow-up procedures include echo-cardiographic examinations at six and 12 months to evaluate haemo compatibility, calcification status and the general efficacy and stability of the implant patch. Selected patients will have magnetic resonance imaging as part of their assessment.

Biomd said the Adapt tissue engineering process allowed for site specific controlled tissue remodeling, allowed stem cell trans-differentiation; removes all RNA and DNA including the alpha Gal Epitope; removed all residual and unbound polymer molecules; removed all calcium binding sites; and produced a stable soft tissue extracellular matrix.

The company said the Adapt tissue engineering process was “a proven multi-factorial approach in tissue engineering technology”.

Biomd said extensive in-vivo studies had shown that enhanced cross-linking mitigated inflammation and tissue erosion.

The Adapt tissue engineering process enabled a soft tissue extracellular matrix to partner with the human body's natural healing processes to recreate a durable, functional and site specific tissue repair, Biomd said.

The company said that through controlled remodeling, the soft tissue extracellular matrix supported the surrounding tissue until the remodeling process was completed and the graft incorporated by the patient's own tissue.

Biomd climbed 0.2 cents or five percent to 4.2 cents.

[ARANA](#)

Arana has appointed Gordon Black as a non-independent, non-executive director.

Arana said Mr Black was the managing director of life sciences venture capital fund Biofusion Capital, a significant shareholder of Arana and an early investor in Evogenix.

Evogenix merged with Peptech to form Arana (see Biotech Daily; May 7, 2007).

Arana said Mr Black was associated with Arana's major shareholder, Ipoh Pty Ltd chairman Yap Lim Sen.

Together Mr Black and Mr Sen control about 14 percent of Arana, a company executive told Biotech Daily.

The company said Mr Black had more than 20 years' experience in the life sciences sector and had worked in the US, the Asia-Pacific and Australia for corporations operating in investment banking, life sciences and real estate investment, including JB Were, Merrill Lynch New York, El Du Pont de Nemours & Co and Ipoh Pty Ltd.

Mr Black holds a BSc in Biochemistry and Chemistry from the University of New South Wales and a Master of Business Administration from the University of Pennsylvania.

Arana was up three cents or 3.61 percent to 86 cents.

ARANA

Arana says it intends to conduct an on-market buy-back of up to 10 percent of the company's 234,986,037 shares.

Arana said the buy-back was expected to begin on October 27, 2008 and will continue for 12-months.

All shares purchased in the on-market buy-back will be cancelled by the company. Arana chairman Robin Beaumont said the company was "in a very strong financial position ...and recent market volatility has provided us with an opportunity to deliver returns to shareholders".

"We have significant cash reserves and ongoing revenues which are forecast to adequately meet the cash requirements of our ongoing drug development programs," Mr Beaumont said.

"The board in reaching this decision considered all available capital management options and believes that this action is the best use of the company's funds at this time," he added.

Arana said it had \$182 million in cash as well as recurring revenues from commercial and development partnerships with six international companies including Glaxosmithkline, CSL, Johnson & Johnson's Centocor and Abbott Laboratories.

Arana said it was "developing next generation drugs for treatment of inflammatory diseases and cancer".

Its lead compound ART621 is in a phase II trial for psoriasis and an investigational new drug application has been filed to the US Food and Drug Administration for rheumatoid arthritis.

AUSBIOTECH

The Ausbiotech October Bio-Beers will be held at Treasury at the Sebel Hotel, 394 Collins Street Melbourne, on October 23, between 6pm and 9pm.

Ausbiotech says Bio-Beers "is a great way to keep in contact with your colleagues and network with biotech industry professionals".