



Biotech Daily

Monday September 1, 2008

Daily news on ASX-listed biotechnology companies

- * **BIO-SPRING: BDI-20 UP 14.3%, ALL ORDS UP 3.2%; BIG CAPS UP 29.4%
- NOVOGEN UP 54%; POLARTECHNICS DOWN 24%**
- * **ASX DOWN, BIOTECHS UP: POLARTECH UP 22%, CIRCADIEN DOWN 5%**
- * **BIONOMICS ANXIOLYTIC BNC210 'EFFECTIVE IN 3 ANIMAL SPECIES'**
- * **FDA APPROVES CYTOPIA TUMOR TRIAL; MULTIPLE MYELOMA DELAYED**
- * **BETA IPO TO RAISE \$5m TO STUDY TOCOTRIENOL FOR BREAST CANCER**
- * **AVANTOGEN'S HAWAII BIO TRIALS DENGUE VACCINE WITH US ARMY**
- * **COMPUMEDICS PROFIT UP 515% TO \$756k ON REVENUE UP 5%**
- * **NEURODISCOVERY APPOINTS DR CHRIS MOYSES DIRECTOR**
- * **COGSTATE APPOINTS TONY PANTHER ACTING COMPANY SECRETARY**
- * **BIOPROSPECT APPOINTS 3 DIRECTORS**
- * **AUSBIOTECH GOLD COAST INVESTMENT SUMMIT**

MARKET REPORT

The Australian stock market fell 0.3 percent on Monday September 1, 2008 with the All Ordinaries down 15.5 points to 5,200.0 points. Fourteen of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and six were untraded.

Polartech was best, up two cents or 22.22 percent to 11 cents on moderate volumes, followed by Labtech up 1.5 cents or 9.09 percent to 18 cents. Avexa and Cellectis climbed more than four percent; Genetic Technologies and Prana were up more than four percent; Cytosia and Starpharma rose more than two percent; with Bionomics, Neuren, Pharmaxis, Progen, Psivida and Viralytics up more than one percent.

Circadian led the falls, down 4.5 cents or 5.03 percent to 85 cents, followed by Proteome down 4.55 percent to 10.5 cents. Universal Biosensors fell 3.61 percent; Antisense, Cochlear and Ventracor fell more than two percent; with Cathrx, Heartware, Peplin, Resmed and Sunshine Heart down more than one percent.

BIOTECH DAILY TOP 40 INDEX

Just as the first golden wattle of late winter does not guarantee the end of cold days and Biotech Daily is reluctant to say that three consecutive months of beating the All Ordinaries, culminating in August's 14.3% to 3.2% uplift, is the end of market turmoil, it appears we have turned the credit crunch corner and are leading the ASX.

The Big Caps' 29.4% August recovery takes it to its highest market capitalization on record with solid performances by all three constituents: Cochlear up 24.9%; CSL up 28.9% and Resmed up 35.8%.

The Biotech Daily Top 20 Index (BDI-20) - which does not include the three Big Caps – has outperformed the All Ordinaries for three consecutive months, ending August 14.3 percent higher compared to the ASX S&P 500 up 3.2 percent for the month. For the three months to August 31, the All Ordinaries fell 9.6 percent but the BDI-20 was up 4.9 percent.

The generally smaller companies in the Biotech Daily Second 20 Index fell 13.4 percent for August giving the Biotech Daily Top 40 Index (BDI-40) an average 6.6 percent increase for the month

For the year to August 31, 2008 the Big Caps climbed 24.3 percent compared to the All Ordinaries 16.5 percent fall, while the BDI-20 fell 28.4 percent.

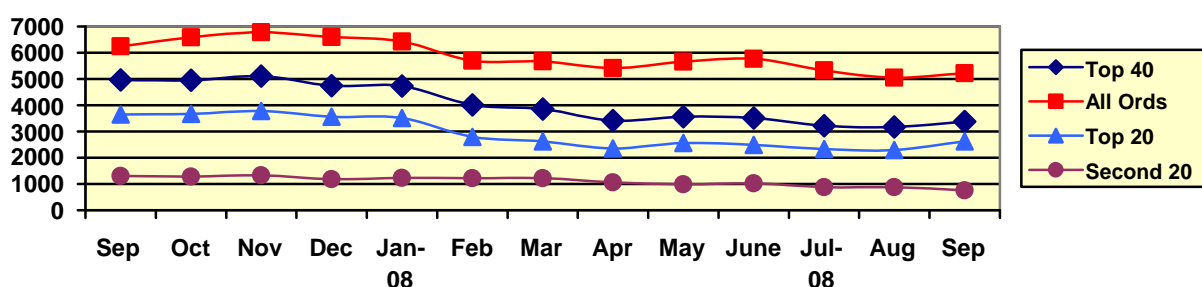
Ten of the BDI-20 stocks were up with six up by more than 10 percent of which four climbed more than 20 percent. Nine fell, with just three falling by more than 10 percent.

The best performing biotechnology company was Novogen, recovering 54.4 percent in the month to a market capitalization of \$159 million followed by Peplin up 46.6 percent to \$85 million, Benitec up 38.9 percent to \$25 million, Pharmaxis up 33.1 percent to \$430 million and Heartware up 22.4 percent to \$186 million.

Polartech was the worst performer down 24.1 percent to \$22 million followed by Agenix down 22.2 percent to \$7 million from \$100 million 12 months ago and Phylogica falling a further 21.4 percent to \$11 million.

Agenix is in a suspension sorting out its Chinese acquisition issues and will be replaced in the Second 20 by Bone Medical.

Biotech Daily Top 40 (\$m) v ASX All Ordinaries 2007-08



BIONOMICS

Bionomics has told an international congress that BNC210 is effective in models of anxiety in three different animal species.

Bionomics told the 2008 European College of Neuropsychopharmacology Congress in Barcelona that its lead drug was "safe and well tolerated at doses 10,000 times the minimum effective dose".

The company said it had tested whether BNC210 could decrease the duration of distress-induced vocalizations from guinea pig pups on separation from their mothers.

This model has been validated as a predictor of anxiolytic (anxiety-reducing) activity for a broad range of compound classes.

Bionomics said previous findings had shown that BNC210 reduced anxiety in mice and rats exposed to stresses.

Bionomics project leader Dr Sue O'Connor said that compared to untreated pups, "those given BNC210 uttered distress calls for a shorter time, a clear demonstration of the anxiolytic activity of BNC210".

Bionomics said the anxiolytic effect of a single dose of BNC210 in mice, lasted for at least six hours, whereas the same dose of diazepam was effective for about three hours.

In addition, treatment with BNC210 did not cause the side effects of sedation, memory impairment and addiction that are associated with diazepam treatment.

The company said that ongoing toxicology studies had shown BNC210 to be safe in both rats and dogs at doses up to 1,000 mg/kg.

Bionomics said tests of repeated doses of BNC210 had begun and results would be included in a submission for regulatory approval for human trials of BNC210 next year.

Bionomics was up half a cent or 1.45 percent to 35 cents.

CYTOPIA

Cytopia says the US Food and Drug Administration has approved a phase Ib/II clinical study of its vascular-disrupting anticancer agent, CYT997, in relapsed glioma.

Cytopia said glioma (glioblastoma or GBM) was an aggressive form of brain cancer typically treated with surgery, chemotherapy and radiation therapy.

The company said most patients with glioma progress after these therapies and subsequent treatments typically show very poor activity.

Cytopia said glioma was a highly-vascular tumor which may be amenable to attack by CYT997, which would be administered in combination with two other anticancer agents, carboplatin and etoposide.

Dosing in the study is expected to begin at a clinical site in Victoria within weeks with another Australian site scheduled for later in the year.

Cytopia said it was likely that study would expand to overseas sites in 2009.

Cytopia chief executive officer Andrew Macdonald told Biotech Daily that dosing would take 12 to 15 months with interim results in mid-2009 and the trial completed in mid-2010.

The company said the glioma trial was the second phase II clinical trial of CYT997, with the first indication of multiple myeloma, which began at Melbourne's Alfred Hospital in January this year (see Biotech Daily; March 3 and July 24, 2008).

Cytopia said it expected "that we would reach the point of interim analysis for this [multiple myeloma] single arm trial during the third quarter of 2008 but have experienced delays in patient enrolment".

"As a result, we expect that dosing of this initial group of patients will not conclude before the end of the 2008 year," Cytopia said.

Cytopia was up half a cent or 2.44 percent to 21 cents.

BETA PHARMACEUTICALS

Beta Pharmaceuticals hopes to raise \$5,000,000 through the initial public offer of 20,000,000 shares at 25 cents per share.

In its prospectus Beta said the offer opened August 12, 2008 and would close on September 23, 2008 with the company to apply for ASX listing on August 12, 2008.

The minimum subscription for the offer was 10,000,000 shares to raise \$2,500,000 the prospectus said.

The company hopes to begin trading on the ASX by the end of October.

Beta said the offer was intended to raise funds to meet its joint venture obligations with Hong Kong based First Tech International and to develop "products derived from palm phyto-nutrients ... for breast cancers".

The company said it was developing new cancer chemo-preventive agents using "natural phyto-nutrients, or plant derivatives, called tocotrienol, as treatments for breast cancers". Tocotrienol was found naturally in "relatively high concentrations in palm oil and has been shown to be potent anticancer agents without affecting normal cell growth and vitality", Beta said.

The head of cancer prevention at Roswell Park Cancer Institute, Dr Clement Ip, was quoted saying tocotrienol was a form of vitamin E able "to powerfully inhibit breast cancer cell growth" and "only targets cancer cells without affecting the viability of normal cells".

Beta said a research program on the anticancer properties of tocotrienol was being conducted in collaboration with the University of Louisiana at Monroe's professor of pharmacology, Dr Paul W Sylvester.

The program was initiated by First Tech International, with which Beta has entered a joint venture to earn up to 60 percent interest.

Of the potential \$5 million to be raised in the IPO, \$3.4 million will go towards research and development expenditure over two years.

Beta's board includes executive chairman Alan Reid, who has worked in China and Hong Kong since 1985, company secretary, Darren Crawte and non-executive directors Neil Bonser, who has worked in civil engineering with more than 40 years, and Sandra Patton who has specialized in management and marketing for more than 20 years.

The prospectus said Mr Reid and Mr Bonser were directors of First Tech International, Beta's joint venture partner in Beijing.

AVANTOGEN

Avantogen says investee company Hawaii Biotech will conduct a clinical trial for its Dengue fever vaccine program at the US Walter Reed Army Institute of Research.

Avantogen owns 33 percent of Hawaii Biotech (see Biotech Daily; July 29, 2008).

Avantogen said the Walter Reed Army Institute had "a well-recognized competency in emerging infectious disease and considerable experience with Dengue fever".

Avantogen said the partnership with a reputable organization such as the Walter Reed Army Institute gave "further validation of the Hawaii Biotech vaccine technology platform and the actual dengue vaccine candidate that has been developed".

Avantogen said the next steps could be dosing the first subjects with the recombinant DNA-based vaccine candidate being developed by Hawaii Biotech.

Avantogen's chief executive officer Dr William Ardrey said the advance on the Dengue program followed the beginning of phase I trials on the West Nile virus in June 2008.

"This is an opportunity to validate the recombinant DNA manufacturing platform, the Hawaii Biotech vaccine and the approach with a highly respected partner," Dr Ardrey said.

Avantogen was untraded at six cents.

COMPUMEDICS

Compumedics has reported a net profit after tax for the 12 months to June 30, 2008 up 515 percent to \$756,000 on revenue up five percent to \$38.582 million.

Diluted earnings per share was 0.5 cents compared to the previous year's 0.1 cents.

No dividend will be paid.

Compumedics said that revenue growth of five percent included US business revenues up by 10 percent (in US dollars), "largely due to a very good year for the brain research (Neuroscan) business up 77 percent".

The company said that "the annuity-style revenues" for the American business for supplies and technical service also grew year on year and represented about 16 percent of total US revenues.

Australia's \$6.0 million sales for the full year was more than 12 percent higher than the same time last year, reflecting strong trading for the sleep diagnostic business.

The DWL Doppler ultrasound blood-flow scanning products business achieved four percent revenue growth, with total sales of \$5.9 million.

The European business, excluding DWL, performed below expectations with revenues declining 14 percent to \$4.3 million.

Compumedics said the European business would be reviewed.

Compumedics fell 1.5 cents or 8.57 percent to 16 cents.

NEURODISCOVERY

Neurodiscovery has appointed Dr Chris Moyses as a non-executive director.

Neurodiscovery said Dr Moyses was awarded degrees in physiology and medicine from Oxford and Cambridge Universities.

The company said Dr Moyses worked as a physician prior to joining the pharmaceutical industry, working for Searle and ICI, before being appointed vice-president of clinical and regulatory affairs at Amylin Europe.

Dr Moyses was chief medical officer and development director of Oxford Glycosciences and was most recently chief medical officer of Argenta Discovery.

Neurodiscovery said Dr Moyses had first-hand involvement in Oxford Glycosciences float on the London Stock Exchange and its secondary offering in 2000, which raised £170 million.

Neurodiscovery chairman Dr Mark Treherne said Dr Moyses had "considerable clinical expertise and a proven track record in drug development".

"In particular, he will assist us in extracting the maximum value from our clinical-stage assets," Dr Treherne said.

Neurodiscovery was untraded at nine cents.

COGSTATE

Cogstate has appointed Tony Panther as company secretary, replacing Lauren Delaney, who has taken 12 months leave.

Mr Panther will also act as finance manager.

Cogstate said Mr Panther was qualified in commerce and law and had more than 20 years finance and company secretarial experience in the utilities, financial services and public accounting industries.

Cogstate was untraded at 13.5 cents.

BIOPROSPECT

Bioprospect has appointed Anthony Langdon as well as Solagran directors Peter Adrian Stedwell and Peter Charles Pellegrino as directors.

Solagran increased its holding in Bioprospect last week (see Biotech Daily; August 29, 2008) saying it wanted two seats on Bioprospect's board.

Mr Stedwell is Solagran's company secretary with more than 35 years corporate experience in finance director and company secretarial roles.

Mr Stedwell is also a director of Echo Resources, Bioprospect said.

Mr Pellegrino is responsible for overseas production facilities for Solagran.

Bioprospect said Mr Pellegrino had operated in public practice for about 15 years as an accountant and financial advisor.

He is the founder and director of the Stanford Group of Companies and holds a Bachelor of Arts and a Bachelor of Business in Accounting.

The company said Mr Langdon had "significant experience in project and risk management within both the Government and private sectors" including the planning, co-ordination and completion of multi-million dollar projects.

Bioprospect said that most recently, Mr Langdon "completed strategic business assessments for various private sector interests in Africa and Australia".

The current directors of the company are Warwick Dowse, Steven Morrow, Dr Michael Quinlan and Peter Landau. Mr Dowse will resign as a director on September 23, 2008.

Bioprospect fell 0.1 cents or 3.85 percent to 2.5 cents.

Solagran was up 3.5 cents or 6.14 percent to 60.5 cents.

AUSBIOTECH

Ausbiotech says speakers from "some of the world's biggest biotechnology investment firms" will be at its inaugural Biotechnology Executives Investment Summit next week.

Ausbiotech said the summit would be held on the Gold Coast on September 10-11, 2008 and was designed "to bring global and Australian investors together with biotechnology [chief executive officers] and company directors".

The industry organization said Biopacific Ventures, Burrill and Co, Imprimatur Capital and Life Science Angels would attend along with local companies Starfish Ventures, Bioangels, GBS Ventures and Xceed Capital.

Ausbiotech chief executive officer Dr Anna Lavelle said the event would give local biotechnology managers and executives "the opportunity to engage directly with key players on the global investment stage".

"This is the first time Ausbiotech has been able to offer such a high-calibre event which is solely focused on the investment side," Dr Lavelle said.

"We have sought out some of the key investment figures from around the globe and brought them here to the Gold Coast, so that they may share some of their knowledge, insights and advice with industry's top senior executives and management and possibly find an attractive investment opportunity," Dr Lavelle said.

"In times of global market uncertainty, there is no more important topic for senior biotech managers than securing capital for their businesses," she said.

Delegates will be able to hear first-hand from investors and meet with them as well as participate in interactive workshops and attend closed-door sessions.

The event is being held with the support of the Queensland Government.

BIOTECH DAILY TOP 40 WITH MARKET CAP

Big Caps \$Am	Sep-08	Aug-08	Jul-08
Cochlear	3,071	2,459	2,428
CSL	24,554	19,044	19,649
Resmed	4,138	3,048	2,787
Top 20			
Acrux	183	195	194
Alchemia	47	50	48
Arana	263	237	260
Avexa	118	132	126
Bionomics	81	76	80
Biota	136	131	139
Cellestis	212	226	235
Chemgenex	222	227	210
Cytopia	17	17	17
Heartware	186	152	99
Living Cell	50	46	58
Mesoblast	152	128	109
Neuren	18	26	24
Novogen	159	103	113
Peplin	85	58	66
Pharmaxis	430	323	296
Phosphagenics	54	66	66
Proteome	25	24	27
Sirtex	134	139	167
Starpharma	44	48	49
Second 20			
Agenix	7	9	16
Antisense	39	39	42
Benitec	25	18	22
Cathrx	34	30	34
Circadian	40	34	35
Clinuvel	91	100	94
Genetic Tech	32	32	33
Impedimed	55	52	56
Labtech	16	17	16
Optiscan	25	30	27
Phylogica	11	14	12
Polartechnics	22	29	30
Prana	85	95	85
Progen	40	37	83
Psivida	33	33	50
Stem Cell Sciences	6	10	9
Sunshine Heart	15	12	15
Universal Biosensors	108	95	110
Ventracor	62	63	75
Viralytics	15	15	14

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

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