



Biotech Daily

Friday August 1, 2008

Daily news on ASX-listed biotechnology companies

*** JULY BDI-20 BEATS ALL ORDS, AGAIN:**

HEARTWARE UP 54%, PROGEN DOWN 55%

*** ASX DOWN, BIOTECHS UP: NOVOGEN UP 9%, PROTEOME DOWN 19%**

*** WASHINGTON DC HOSPITAL 1st IN HEARTWARE TRIAL**

*** KARMELSONIX HAS MORE THAN ONE QUARTER CASH**

*** NORWOOD ABBEY HAS LESS THAN ONE QUARTER CASH**

*** COMPUMEDICS' CEO REDUCES STAKE FOR SHARE LIQUIDITY**

MARKET REPORT

The Australian stock market fell 1.5 percent on Friday August 1, 2008 with the All Ordinaries down 74.6 points to 4,978.0 points.

Twelve of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and five were untraded. Cochlear CSL and Resmed were all up.

Novogen was best, up 9.5 cents or 8.96 percent to \$1.155 on small volumes, followed by Cathrx up four cents or 5.63 percent to 75 cents.

Genetic Technologies, Pharmaxis and Polartechnics climbed more than four percent; Biota was up 3.45 percent; Chemgenex and Heartware rose more than two percent; with Acrux, CSL, Optiscan, Psivida and Resmed up more than one percent.

Proteome led the falls, down two cents or 19.05 percent to 8.5 cents, followed by Bionomics down 7.69 percent to 30 cents and Phylogica down 7.22 percent to nine cents.

Phosphagenics and Viralytics lost five percent or more; Circadian fell 4.12 percent; Clinuvel was down 3.03 percent; Labtech and Ventracor shed more than two percent; with Avexa, Impedimed and Universal Biosensors down more than one percent.

BIOTECH DAILY TOP 40 INDEX

For the second month in a row, the Biotech Daily Top 20 Index (BDI-20) outperformed the All Ordinaries, falling 1.9 percent in July, compared to the ASX's top 500 companies falling 5.2 percent.

The Second 20 also outperformed the All Ordinaries Index, down just 0.6 percent, taking the overall Biotech Daily Top 40 Index (BDI-40) down 1.5 percent for the month.

For the year to July 31, 2008 the BDI-40 was down 39.2 percent compared to the All Ordinaries' 18.3 percent fall.

The three Big Caps of Cochlear, CSL and Resmed, which are not included in the BDI-40, fell 1.3 percent for the month, with CSL recording its second consecutive monthly fall since January 2008, down \$605 million or 3.1 percent to \$19.0 billion, while Cochlear was up \$31 million and Resmed up 9.4 percent to \$3,048 million.

For the year to July 31, CSL alone pushed the Big Caps up 4.2 percent.

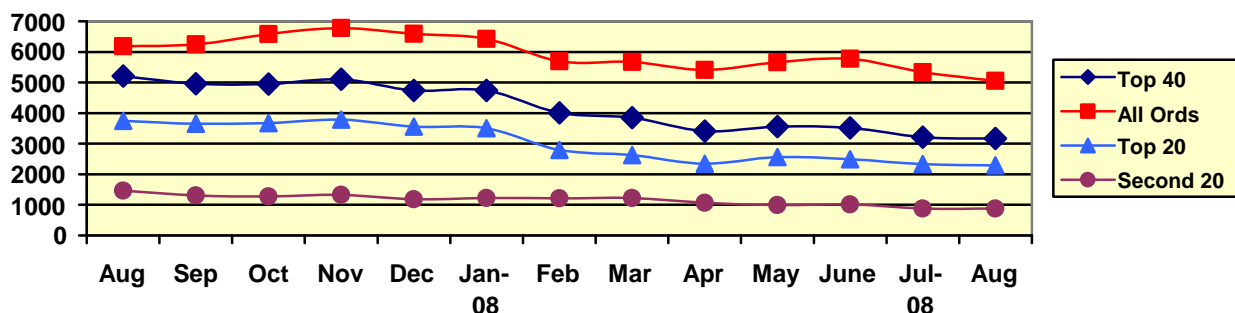
Fifteen of the BDI-40 stocks were up, 23 fell with two unchanged for the month of July.

Heartware was July's best, up 53.5 percent to a market capitalization of \$152 million followed by Mesoblast recovering a further 17.4 percent to \$128 million. Phylogica rose 16.7 percent from a low base to \$14 million with Prana up 11.8 percent, Optiscan up 11.1 percent and Pharmaxis up 9.1 percent to \$323 million.

Progen was the worst performer following the halt to its phase III cancer trial, down 55.4 percent to \$37 million a fall of 83.8 percent for the year. Agenix lost 43.8 percent to \$9 million, Psivida fell 34.0 percent to \$33 million followed by Living Cell (20.7%), Sunshine Heart (20%), Benitec (18.1%), Sirtex (16.8%), Ventracor (15%), Universal Biosensors (13.6%), Peplin (12%), Cathrx (11.8%) and Proteome (11.1%).

Biotech Daily did not intend to make changes to the Top 40 this month, but Progen's woes and the revelation that Heartware's \$31 million capital raising attracted the interest of FMR Corp and Fidelity among others, leaves little choice but to promote Heartware to the Top 20, replacing Progen, which retains about \$77 million in cash and joins the Second 20.

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



HEARTWARE

Heartware says the Washington Hospital Center institutional review board is the first to approve participation in a clinical trial of its left ventricular assist system.

Heartware said that when the required contracts were signed, the Washington (DC) Hospital Center would be able to begin implanting its device.

The company said the principle investigator was Dr Leslie Miller "one of the world's most renowned heart failure cardiologists".

The lead surgeon is Dr Steven Boyce, who is one of the highest volume cardiac surgeons in the US, Heartware said.

Heartware chief executive officer Doug Godshall said the company was "delighted to have received this approval and are fortunate to be associated with such exceptional physicians and their top flight support team".

"We have worked with Drs Miller and Boyce for many years," Mr Godshall said.

"As members of our medical advisory board, their insight and guidance have been invaluable," Mr Godshall said. "We look forward with great anticipation to them starting to implant the Heartware pump, allowing them to experience first-hand the benefits of our system that our international physicians have observed."

Heartware has conditional approval of its investigational device exemption from the US Food and Drug Administration allowing investigational centers to proceed with internal approval processes and begin implanting the device.

Heartware said several centers were actively working through contract arrangements, but others had chosen to wait until the approval became unconditional.

Washington Hospital Center has completed its training on the Heartware systems and is the fourth US center to complete the training program.

A number of additional sites will complete training over the coming weeks, Heartware said. Heartware was up one cent or 2.04 percent to 50 cents.

KARMELSONIX

Karmelsonix has reported a total operating and investing cash burn of \$1.9 million for the three months to June 30, 2008 and cash at the end of the quarter of \$3.37 million.

Karmelsonix was unchanged at five cents.

NORWOOD ABBEY

Norwood Abbey has reported a total operating and investing cash burn of \$273,000 for the three months to June 30, 2008 and cash at the end of the quarter of \$169,000.

The company said it had used \$92,000 of \$350,000 credit standby arrangements.

Norwood Abbey was untraded at 1.4 cents.

COMPUMEDICS

Compumedics says its major shareholder, D & DJ Burton Holding, a company controlled by chief executive officer David Burton has sold 7,529,443 shares.

Compumedics said part of the sell down was to Medigas Italia Srl which has taken a strategic stake in the company (see Biotech Daily; July 29, 2008).

The company said it was "actively considering options to increase liquidity" in its shares.

The sale of the \$1.1 million share parcel reduces Mr Burton's direct and indirect holding to 63.3 percent of the company.

Compumedics fell 1.5 cents or 8.57 percent to 16 cents.

BIOTECH DAILY TOP 40 WITH MARKET CAP

Big Caps \$Am	Aug-08	Jul-08	Jun-08
Cochlear	2,459	2,428	3,014
CSL	19,044	19,649	21,906
Resmed	3,048	2,787	3,148
Top 20			
Acrux	195	194	150
Alchemia	50	48	56
Arana	237	260	241
Avexa	132	126	114
Bionomics	76	80	85
Biota	131	139	182
Cellestis	226	235	248
Chemgenex	227	210	162
Cytopia	17	17	25
Living Cell	46	58	74
Mesoblast	128	109	87
Neuren	26	24	22
Novogen	103	113	154
Peplin	58	66	68
Pharmaxis	323	296	338
Phosphagenics	66	66	83
Progen	37	83	82
Proteome	24	27	29
Sirtex	139	167	217
Starpharma	48	49	59
Second 20			
Agenix	9	16	34
Antisense	39	42	39
Benitec	18	22	25
Cathrx	30	34	43
Circadian	34	35	39
Clinuvel	100	94	121
Genetic Tech	32	33	38
Heartware	152	99	124
Impedimed	52	56	50
Labtech	17	16	18
Optiscan	30	27	26
Phylogica	14	12	13
Polartech	29	30	35
Prana	95	85	87
Psivida	33	50	99
Stem Cell Sci	10	9	11
Sunshine Heart	12	15	15
Universal Biosensors	95	110	123
Ventracor	63	75	104
Viralytics	15	14	21

* 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.

Biotech Daily can be contacted at: PO Box 5000, Carlton, Victoria, Australia, 3053
 email: editor@biotechdaily.com.au www.biotechdaily.com.au