



Biotech Daily

Friday August 15, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX EVEN, BIOTECHS UP: IMPEDIMED UP 14%, LABTECH DOWN 17.5%**
- * **SCHERING-PLOUGH HALTS TWO ACRUX PROGRAMS**
- * **IDT PROFIT UP 30% TO \$7.1m ON REVENUE UP 18%**
- * **AVANT QUILTS SELECT VACCINES**
- * **GIACONDA'S \$40m INVESTOR GRANTED EXTENSION**
- * **GENERA APPOINTS WILLIAM TAPP, DAVID SYMONS DIRECTORS**
- * **PACKER & CO (LUDWIG) TAKES 17% OF CIRCADIAN**

MARKET REPORT

The Australian stock market was even on Friday August 15, 2008 with the All Ordinaries falling 0.1 points to 5,038.9 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 10 fell, three traded unchanged and 11 were untraded.

Impedimed was best, up 10 cents or 14.29 percent to 80 cents, followed by Peplin up 10.67 percent to 41.5 cents.

Avexa climbed five percent; Phosphagenics and Psivida were up more than four percent; Alchemia, Biota, Chemgenex and Clinuvel were up more than three percent; Arana, Benitec, Mesoblast and Sirtex rose more than two percent; with Optiscan and Phylogica up more than one percent.

Labtech Cell led the falls, down 3.5 cents or 17.5 percent to 16.5 cents on small volumes followed by Genetic Technologies down 10 percent.

Acrux and Neuren both fell 5.88 percent; Ventracor and Viralytics were down more than three percent; Progen shed 2.94 percent; CSL, Heartware, Pharmaxis and Prana down more than one percent.

ACRUX

Acrux says Schering-Plough has stopped two collaborations originally signed with Akzo Nobel's Organon (see Biotech Daily; March 1, 2007).

Acrux said that Schering Plough had acquired Organon in November 2007 and despite "the successful and timely delivery of formulations by Acrux" decided not to proceed with two early-stage product development collaborations.

Acrux chief executive officer Dr Richard Treagus told Biotech Daily that Schering-Plough conducted a portfolio review and re-prioritization of research and development after its acquisition of Organon and despite Acrux developing the formulation of two Organon products as transdermal metered dose sprays in January 2008, the programs had been axed by the new management.

No one from Schering-Plough was available to comment.

The collaborations used Acrux technology for two undisclosed Organon products, one a contraceptive drug and the other a "non-contraceptive women's health" compound.

Acrux received a \$1 million up-front fee from the deal, but no further milestone payments.

Dr Treagus said the work done was "not a major expenditure, but it is always disappointing to lose a partner".

"We have a broad pipeline and an array of partners," Dr Treagus said.

"We are looking for a new partner in the contraceptive area and pursuing [development of] Nestorone, a fourth generation progesterone drug which is not effective orally," he said.

In a media release to the ASX, Dr Treagus said two clinical trials of Nestorone and estrogen combination sprays were fully recruited and due to report results in the second half of 2008.

"We will now seek new partners to bring these and other contraceptive formulations to women in this \$US7 billion market," he said.

Acrux said the incremental costs incurred in the Organon collaboration were "immaterial" and the announcement had "no impact on Acrux's funding".

Acrux fell 7.5 cents or 5.88 percent to \$1.20.

IDT AUSTRALIA

IDT Australia has reported net profit after tax for the 12 months to June 30, 2008 up 30 percent to \$7.11 million on total revenue up 18 percent to \$31.461 million.

IDT (formerly the Institute of Drug Technology) reported earnings per share up 29.9 percent to 16.5 cents.

A fully-franked final dividend of 6.5 cents will be paid, taking the fully-franked full year dividend to 12 cents a share compared to the previous year's 10 cents a share.

IDT climbed 16 cents or 8.47 percent to \$2.05.

SELECT VACCINES

Avant Immunotherapeutics has sold all of its 29,518,072 shareholding (11.56%) in Select Vaccines for \$295,000.

Avant and Select agreed to end their collaboration on the development of an influenza vaccine as of December 31, 2007 (see Biotech Daily; November 5, 2007).

Avant was the company's largest shareholder.

Select Vaccines fell 0.1 cents or 9.09 percent to one cent.

GIACONDA

Giaconda has granted Australian Medical Therapy Investments an extension to complete its proposal to subscribe for \$40 million of Giaconda shares.

Australian Medical Therapy Investments has until September 12, 2008 to satisfy Giaconda that it has the required financial capacity to complete the subscription.

Giaconda hopes to raise up to \$40 million from the placement of 100,000,000 shares at 40 cents a share to Australian Medical Therapy Investments (see Biotech Daily July 18, 2008). AMTI managing director is former Giaconda lawyer Colin Goldrick.

On July 22, 2008 Giaconda was joined in Family Court proceedings involving 69 percent shareholder Prof Thomas Borody and his former wife, the applicant in the proceedings.

Prof Borody's former wife, who cannot be named, wants Prof Borody restrained from dealing with, transferring or encumbering his Giaconda sharers including entering a restriction agreement without her consent or order of the court; and the restriction agreement between Prof Borody, Giaconda and Australian Medical Therapy Investments be set aside. Giaconda said the agreement was entered to place Prof Borody's shares in escrow as part of the Australian Medical Therapy Investments offer to Giaconda.

Giaconda intends to oppose the agreement being set aside.

Giaconda fell three cents or 15 percent to 17 cents.

GENERA BIOSYSTEMS

Genera Biosystems has appointed William Tapp and David Symons as directors, effective from last night.

Genera said Mr Tapp had more than 40 years of entrepreneurial and commercial experience.

Mr Tapp was one of four partners who established Dovuro Seeds in 1990, which went on to market the first canola varieties protected under Plant Breeding Rights and accessed varieties through Department of Primary Industries NSW and Victoria.

Mr Symons has 10 years experience in private equity, investment banking and corporate management.

Genera said he was an executive at ABN Amro Capital in Sydney with seven years investment banking experience in Melbourne with Macquarie Bank and Merrill Lynch.

Mr Symons was a Genera director from October 2007 to March 2008.

Genera was untraded at 21.5 cents.

CIRCADIAN

Packer & Co of Cottesloe Western Australia has had its substantial shareholding in Circadian diluted to 7,724,421 shares or 17.07 percent of the company.

Packer & Co said its percentage holding decreased with the issue of 5,117,430 shares to the Ludwig Institute for Cancer Research and Licentia for the sale of their minority interests in Vegenics.

Circadian was untraded at 85 cents.