



# Biotech Daily

Thursday August 28, 2008

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECHS UP: POLARTECHNICS UP 14%, GENETIC TECH DOWN 11%**
- \* **ARANA COMPLETES PSORIASIS RECRUITMENT**
- \* **VENTRACOR LOSS DOWN 32%, REVENUE UP 163% TO \$20m; NEEDS \$20m**
- \* **ANTISENSE MS RESULTS 'LATE BREAKING NEWS' IN MONTREAL**
- \* **EASTLAND MEDICAL PLACEMENT RAISES \$676k**
- \* **WILSON HTM TAKES 6% OF CATHX**
- \* **GENETIC TECHNOLOGIES DIVESTS \$100k+ GOLD MINE ASSET**
- \* **NEUREN EGM APPROVES PLACEMENT RESOLUTIONS**

## MARKET REPORT

The Australian stock market climbed 1.1 percent on Thursday August 28, 2008 with the All Ordinaries up 55.5 points to 5,143.3 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 14 fell, five traded unchanged and seven were untraded. All three Big Caps were up.

Polartechncis was best, up 1.5 cents or 14.29 percent to 12 cents, followed by Bionomics up 9.09 percent to 36 cents and Pharmaxis up 8.96 percent to \$2.19.

Optiscan climbed 6.98 percent; Biota, Chemgenex, Prana and Universal Biosensors were up four percent or more; Circadian and Cochlear rose more than two percent; with Antisense, CSL, Phylogica, Progen and Viralytics up more than one percent.

Genetic Technologies led the falls, down 1.1 cents or 11.34 percent to 8.6 cents, followed by Peplin down 7.41 percent to 50 cents and Clinuvel down 6.25 percent to 30 cents.

AcruX lost 4.46 percent; Avexa, Cathrx, Cellestis and Heartware fell more than three percent; with Cytopia, Labtech, Living Cell and Phosphagenics down more than two percent.

## ARANA

Arana says it has completed recruitment in its phase II dose-ranging psoriasis study of anti-inflammatory drug ART621.

Arana said the study's results would be available in early 2009.

The company said it also planned to submit an investigational new drug application for ART621 for rheumatoid arthritis by the end of 2008.

Arana's chief executive officer, John Chiplin said the submission of application was "a crucial milestone towards the commercialization of ART621".

"Subject to feedback from the US Food and Drug Administration, we look forward to the commencement of our rheumatoid arthritis program by the end of this year which we have been carefully planning for some time now," Dr Chiplin said.

Arana said ART621 was an anti-tumor necrosis factor drug, a class of drugs used for the treatment of inflammatory diseases such as rheumatoid arthritis, psoriasis and Crohn's disease.

ART621 works by blocking the action of tumor necrosis factor (TNF), a protein which is involved in the generation of inflammation, the company said.

Dr Chiplin said Arana was targeting rheumatoid arthritis and psoriasis, two of the key anti-TNF markets.

"If successful in trials, the unique nature of our product should enable us to gain a valuable share of the large and growing anti-TNF market," Dr Chiplin said.

Arana said the total market for existing anti-TNF's, Remicade, Humira and Enbrel, was \$US12.8 billion in 2007 and was expected to exceed \$US20 billion by 2012.

Arana climbed 0.5 cents or 0.44 percent to \$1.13.

## VENTRACOR

Ventracor has reported a net loss after tax for the 12 months to June 30, 2008 down 32 percent to \$24.95 million on total revenue up 163 percent to \$19.473 million.

Ventracor said more than half of the total 325 patients implanted with its left ventricular assist heart pump over the past four years had received their implants in the 12 months to June 30, 2008.

In a conference call, Ventracor's chief executive officer Peter Crosby said the year ahead was "very exciting" for the company with key milestones to be reached along with "the main goal" of US Food and Drug Administration registration.

Mr Crosby said the US bridge-to-transplant trial was expected to be completed by the end of 2008 with FDA registration expected between the end of 2009 and mid-2010.

He said the company was accelerating growth in Europe and seeking to improve reimbursement in its major markets.

Asked why the company's share price and consequent market capitalization had fallen by more than 70 percent in the past year, Mr Crosby said Ventracor was "not immune to global markets".

He told the telephone conference that the company would need \$18 million to \$22 million to get to June 30, 2009 and the company had \$18 million in cash at June 30, 2008.

The company said there would be cost savings from moving its US headquarters from San Francisco to Budd Lake New Jersey, which is closer to the majority of clinical trial centres.

Ventracor was up one cent during the day but closed unchanged at 22 cents.

## ANTISENSE

Antisense says its phase IIa multiple sclerosis trial results will be presented at the World Congress on Treatment and Research in Multiple Sclerosis next month in Montreal.

Antisense said the September 17-20, 2008 meeting would be the first joint meeting of the Americas Committee on Treatment and Research in Multiple Sclerosis and its counterparts in Europe and Latin America.

The congress is expected to be the largest single gathering of multiple sclerosis clinicians, clinical researchers and scientists this year, the company said.

The Antisense results will be presented by principal investigator for the trial of ATL/TV1102 in patients with relapsing-remitting multiple sclerosis, Dr Volker Limmroth who is the chairman of the Department of Neurology at Germany's Cologne City Hospitals.

The presentation is entitled 'VLA-4 antisense: an oligonucleotide targeting VLA-4 mRNA (ATL1102) significantly reduces new active lesions in patients with relapsing-remitting multiple sclerosis'.

Antisense has previously reported that ATL/TV1102 significantly reduced disease activity in patients with relapsing-remitting multiple sclerosis in a randomized, double blind, placebo controlled phase IIa study designed to obtain preliminary evidence of ATL/TV1102's effectiveness in reducing MS-related brain lesions as detected by magnetic resonance images (MRI) (see Biotech Daily; June 30, 2008).

Antisense said the study met its primary endpoint showing a significant reduction by 54.4 percent ( $p=0.01$ ) in cumulative number of new active lesions in the ATL/TV1102 treated patients compared to placebo, as measured by MRI.

The director of the Image Analysis Centre at the Vrije Universiteit (Free University) Medical Centre in Amsterdam Prof Frederik Barkhof was responsible for performing the central image analysis for this study and was a co-author of the presentation abstract. Prof Barkhof said the ATL/TV1102 phase IIa trial findings were "very promising which is reflected in their selection for presentation at the highly competitive late breaking news section of the conference program".

Antisense climbed 0.1 cents or 1.49 percent to 6.8 cents.

## EASTLAND MEDICAL SYSTEMS

Eastland Medical Systems has raised \$676,077 through a placement of 4,662,603 shares at 14 cents a share with clients of RM Capital.

Eastland said each share comes with a free attaching option

The company said the securities had been placed to sophisticated investors in Australia and that a commission of five percent of the value of the funds raised had been paid.

Eastland Medical said the funds were for working capital, including the development of the Artimist sub-lingual malaria treatment.

Eastland was up half a cent or four percent to 13 cents.

## CATHRX

Wilson HTM Investment Group and Associates have become substantial shareholders in Cathrx with a holding of 2,731,648 shares or 6.41 percent of the company.

Cathrx fell three cents or 3.61 percent to 80 cents.

### GENETIC TECHNOLOGIES

Genetic Technologies has sold its 14.66 percent stake in a gold mine to Regis Resources for \$100,000 and 500,000 Regis shares.

Genetic Technologies said the interest was in the North Laverton joint venture covering gold tenements in the Duketon central region, north of Laverton in Western Australia.

Regis and its subsidiary hold the remaining interest in the venture.

The company said the joint venture interest was acquired prior to 2000 when it operated in the exploration industry under the name of Duketon Goldfields and was the last exploration asset held by Genetic Technologies.

As part of the sale, Genetic Technologies will have a \$68,917 performance bond returned and has been fully indemnified by Regis against any future rehabilitation liabilities from exploration activities.

Genetic Technologies said the indemnification would allow it to fully reverse the provision of \$94,987 for that liability, recorded in the company's balance sheet at June 30, 2008 in the following financial year ending June 30, 2009.

Genetic Technologies fell 1.1 cents or 11.34 percent to 8.6 cents.

### NEUREN

Neuren says shareholders have carried a series of resolutions relating to a \$3 million placement and \$2 million share plan (see Biotech Daily; August 6, 2008).

Neuren said the meeting approved the issue of shares to underwriter Taylor Collison and directors Dr Robin Congreve and Trevor Scott.

Neuren gave no details about the vote.

Neuren was unchanged at 7.9 cents.