



# Biotech Daily

Friday August 29, 2008

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECHS DOWN: ACRUX UP 7.5%, POLARTECHNICS DOWN 25%**
- \* **AGENIX REQUESTS 'UP TO 2 MONTHS' SUSPENSION**
- \* **MEDICAL THERAPIES SETS OUT MIDKINE TIMELINE**
- \* **RESMED PROFIT UP 66% TO \$US110m ON REVENUE UP 17% TO \$US835m**
- \* **SIRTEX PROFIT DOWN 23% TO \$1.2m ON REVENUE UP 13% TO \$39.4m**
- \* **SELECT VACCINES CEO DR MARTIN SOUST RESIGNS**
- \* **SOLAGRAN TAKES 7% OF BIOPROSPECT; REQUESTS 2 BOARD SEATS**

## MARKET REPORT

The Australian stock market climbed 1.4 percent on Friday August 29, 2008 with the All Ordinaries up 72.2 points to 5,215.5 points.

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

Acrux was best, up eight cents or 7.48 percent to \$1.15, followed by Universal Biosensors up 6.41 percent to 83 cents.

CSL climbed 4.19 percent; Biota, Living Cell and Starpharma were up more than two percent; with Antisense, Cochlear and Novogen up more than one percent.

Polartechinics led the falls, down three cents or 25 percent to nine cents, followed by Stem Cell Sciences down 9.09 percent to 20 cents and Optiscan down 8.7 percent to 21 cents.

Ventracor lost 6.82 percent; Bionomics, Phylogica and Prana fell more than four percent; Avexa shed 3.33 percent; with Mesoblast down 2.68 percent.

## AGENIX

Agenix has requested an immediate suspension for up to two months to clarify its ownership of its recently acquired Shanghai assets.

Agenix said the suspension was required "until such time as clarity on the control [of Chinese assets] issue is attainable to the satisfaction of the directors and our auditors, which we anticipate to be in the period of one to two months".

The company said the suspension "should end once we release to the ASX our audited annual consolidated financial report for the year ended June 30, 2008.

Agenix company secretary Jeffrey Luckins told Biotech Daily the ASX was comfortable with the potential lengthy suspension and said it could be a shorter time frame than two months.

The company said it was "continuing to take all necessary actions and continue to pursue the necessary options to resolve acquisition of the Chinese operations".

Agenix formed the view that completion of the preliminary consolidated financial statements for the year ended June 30, 2008 could not be completed in accordance with the ASX Listing Rules.

Agenix said it had a series of contracts which it believed that control of the Chinese operations had been acquired.

The company's China acquisition recently stalled when it failed to receive a waiver for the completion of the share transaction of a pharmaceutical company from the four percent shareholder, who was also the landlord (see Biotech Daily, July 24, 2008).

Agenix chief executive officer Dr Stephen Phua has taken direct responsibility for the Shanghai based operation.

After taking advice, the board said it was "concerned that it may not technically have obtained control of the Chinese operations".

"Our auditor has advised the Board that it would not be in a position to issue an opinion on the matter of consolidation until further information is available and the situation can be clarified," Agenix said. "This may result in a reversal of the previous accounting treatment."

On August 7, 2008 Agenix issued a demand letter to the vendors of the Chinese entities, including a demand on their representatives (see Biotech Daily of that date).

The demand required that these parties remedy certain breaches relating to the Agenix acquisition of the Chinese entities.

Separately, New Zealand's Intellectual Property Office has granted Agenix a patent covering its Thrombview technology, adding to patents in the US and Singapore.

Agenix said the patent gave "broad coverage for the use of the humanized D-dimer antibody with a range of imaging or therapeutic applications".

"The intellectual property suite for our Thrombview technology is growing and together with the impressive clinical data gathered to date, will add significant value to our commercialization efforts", Dr Phua said.

Thrombview is being tested in a multicentre phase II study in Canada and the US against the current standard diagnostic test for its efficacy and safety in the detection of pulmonary embolism.

In 2002, pulmonary embolism had a total of 500,000 events in the US alone and about 30 percent resulted in sudden deaths.

The diagnostic standard is the computerized tomography pulmonary angiography which is effective in the diagnosis but is only demonstrating a 'filling' defect in the pulmonary vessel and has a high radiation exposure.

Thrombview is a humanized monoclonal antibody that uses a common radio-isotope to target and detect the 3B6 protein expressed only in fresh clots.

Agenix last traded at 1.7 cents.

## MEDICAL THERAPIES

Medical Therapies says it has completed its strategy for the commercial development of its Midkine intellectual property portfolio.

The company said it was “a significant step ... signaling the commencement of the product development and commercialization program”.

Medical Therapies said it would focus on an in-house therapeutic program for the clinical development of Midkine for the treatment of acute myocardial infarction and brain ischemia as well as early partnering of non-core assets following optimization of data packages for the anti-midkine antibodies, nucleotide and diagnostic and prognostic assets. Medical Therapies said the Midkine protein's use for the treatment of acute myocardial infarction (AMI or cardiac arrest) would be “the key in-house indication” expected to be taken to clinical proof of concept stage.

Significant patent protection also exists for Midkine therapy for brain ischemia or stroke, which is expected to be the second therapeutic program for in-house development.

Medical Therapies will “actively seek out partnership opportunities for its non-core assets”.

The company said added value could be generated for these assets by undertaking a highly targeted program to generate additional supporting data and would be done progressively over the next 12 months in preparation for partnering.

Medical Therapies said it would add further value by detailed characterization of the best candidates within its substantial antibody assets and by further assessing their biological activity.

The company said Midkine was “highly expressed during the early stages of certain cancers”, the company had patent protection around their early detection and anti-midkine antibodies could be used in the diagnosis of lung cancer, oral and oesophageal squamous cell carcinoma, prostate, colorectal and pancreatic cancers and in neuroblastoma.

Medical Therapies said its patent for midkine and its inhibitors in the treatment of inflammatory conditions provided “a very strong position for partnering our antibodies with anti-inflammatory activity” with rheumatoid arthritis, Crohn's disease and psoriasis as potential therapeutic targets.

Medical Therapies said data showed the slowing of disease onset and symptom formation in the standard animal model of multiple sclerosis.

Other areas where early data appears promising were overcoming chemotherapy resistance and diseases associated with adhesion formation.

The company said its data included anti-midkine antisense, siRNA and aptamers showing activity in blocking synthesis of Midkine. Therapeutic applications could potentially include solid tumors and cancers where bone metastasis was likely.

Anti-midkine siRNA has also proven to be effective in preventing restenosis in early animal experiments, Medical Therapies said.

The company said that Midkine's co-discoverer Prof Takashi Muramatsu had joined its scientific advisory panel and the scientist responsible for the extensive data Dr Sadatoshi Sakuma would also advise the company.

The company said it expected to award a contract for manufacturing Midkine by October 31, and lodge pre-investigational new drug documentation with the US Food and Drug Administration in December 2008.

Pre-clinical work for phase I/IIa clinical trials for acute myocardial infarction is expected to be completed by July 31, 2009 to be completed by June 30, 2010, with manufacture of Midkine protein completed by August 31, 2009

Medical Therapies said it expected to complete preclinical studies of Midkine for brain ischemia in preparation for clinical trials by October 30, 2009

Medical Technologies was untraded at five cents.

### RESMED

Resmed has reported a net profit after tax for the 12 months to June 30, 2008 up 66 percent to \$US110.3 million on revenue up 17 percent to \$US835.4 million.

Diluted earnings per share was \$1.40 compared to the previous year's 85 cents.

No dividend will be paid.

Resmed was up five cents or 0.94 percent to \$5.39 with 1.4 million shares traded.

### SIRTEX

Sirtex has reported a net profit after tax for the 12 months to June 30, 2008 down 22.7 percent to \$1.21 million on revenue up 13.3 percent to \$39.376 million.

Diluted earnings per share was 2.2 cents compared to the previous year's 2.8 cents.

No dividend will be paid.

Sirtex said investment in research and development was up 99 percent, clinical trial expenditure was up 47 percent, with sales and marketing was up 61 percent.

Sirtex was unchanged at \$2.40.

### SELECT VACCINES

Select Vaccines' chief executive officer and managing director Dr Martin Soust will resign from both roles from August 31, 2008 due to personal and family reasons.

Dr Soust has been managing director since the company began its current operations in 2003.

The company said Dr Soust played a central role in developing the company's technologies and in several successful capital raisings, including the listing of the company on the ASX in July 2003.

He was also responsible for negotiating several technology licence agreements.

The company will undertake an executive search for a chief executive officer.

In the interim, chairman Robin Beaumont will oversee day-to-day activities.

Select Vaccines was untraded at 0.8 cents.

### BIOPROSPECT, SOLAGRAN

Solagran has become a substantial shareholder in Bioprospect with a holding of 32,339,041 shares or 6.64 percent of the company.

Solagran has requested that its chief financial officer Peter Stedwell and director Charles Pellegrino be appointed as non-executive directors.

Bioprospect said the ANZ Banking Group had sold all of its holding acquired from the Opes Prime Stockbroking collapse.

Bioprospect fell 0.3 cents or 10.34 percent to 2.6 cents.

Solagran fell two cents or 3.39 percent to 57 cents.