



Biotech Daily

Monday August 4, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECHS EVEN: HEARTWARE UP 8%, PEPLIN DOWN 6%**
- * **ANTISENSE REQUESTS TYSABRI TRADING HALT**
- * **USCOM SAYS JOURNAL STUDY BACKS USE IN PAEDIATRIC EMERGENCY**
- * **SANOFI-AVENTIS SUCCESS TAKES UNILIFE HQ TO PENNSYLVANIA**
- * **FORTREND PROVIDES \$5m FACILITY TO IM MEDICAL**
- * **BIO-MELBOURNE WORKSHOPS BIG DEALS WITH CSL, GSK, WYETH**
- * **COGSTATE ONE-FOR-10 RIGHTS ISSUE**
- * **NUSEP DIRECTOR DR CHOON LEE RESIGNS**

MARKET REPORT

The Australian stock market fell 0.4 percent on Monday August 4, 2008 with the All Ordinaries down 20.4 points to 4,957.6 points.

Ten of the Biotech Daily Top 40 stocks were up, 10 fell, 12 traded unchanged and eight were untraded.

Heartware was best, up four cents or 8.0 percent to 54 cents on modest volumes, followed by Psivida up 25 cents or 7.69 percent to \$3.50.

Bionomics climbed five percent; Prana was up 4.26 percent; Clinuvel and Novogen were up more than three percent; with Pharmaxis up 1.73 percent.

Peplin led the falls, down two cents or 5.88 percent to 32 cents, followed by Genetic Technologies down 5.56 percent to 8.5 cents and Phosphagenics down 5.26 percent to nine cents.

Alchemia, Benitec and Chemgenex lost more than three percent; Living Cell fell 2.56 percent; with Biota and Cellestis down more than one percent.

ANTISENSE

Antisense has requested a trading halt pending an announcement regarding "news relating to another company's multiple sclerosis drug".

On July 31 and August 1, 2008, Biogen Idec and Elan Corp notified regulatory agencies of two confirmed cases of progressive multifocal leukoencephalopathy (PML) in multiple sclerosis patients treated with Tysabri.

Antisense has previously been affected by Tysabri news because its RNA-interference drug partnered with Teva Pharmaceuticals ATL/TV1102 acts on the same target as Tysabri, the protein ligand VLA-4 (lymphocyte ligand very late antigen-4).

Antisense chief executive officer Mark Diamond told Biotech Daily that the mechanism by which Tysabri caused progressive multifocal leukoencephalopathy was not known.

He said that in 2005 Tysabri was withdrawn following three earlier reported cases of progressive multifocal leukoencephalopathy and the common target led to a delay to Antisense's clinical trial program.

Mr Diamond said that since Tysabri use was allowed, more than 32,000 patients had received the drug with just two further reported cases.

Biogen said it received confirmation of the diagnoses of two European Union patients following the detection of John Cunningham virus DNA in the cerebrospinal fluid.

The first patient has received Tysabri monotherapy for 17 months and is clinically stable and ambulatory at home.

The second patient had a history of prior disease modifying therapies including azathioprine and beta-interferons and had Tysabri monotherapy for 14 months. This patient is currently hospitalized.

Mr Diamond said his company's antisense drug was "very different" from the Tysabri monoclonal antibody. "These are very different circumstances compared to 2005," Mr Diamond said. "The drugs have very different features."

Trading will resume on August 6, 2008 or on an earlier announcement.

Antisense last traded at 6.9 cents.

USCOM

Uscom says an article in the July Pediatric Emergency Care journal validates the reproducibility of its technology in children across a range of diseases.

Uscom says the publication 'Inter-Rater Reliability for Noninvasive Measurement of Cardiac Function in Children' in Pediatric Emergency Care (2008; 24(7):433-7) originated from the Loma Linda University Medical Centre and Children's Hospital in Loma Linda, California.

The company said the study evaluated the reproducibility of its ultra-sonic cardiac output monitor (Uscom) technology in children aged from one month to 17 years with many different diseases and concluded that there was a "strong correlation between repeated measures; the key test of repeatability of a method".

Uscom executive chairman and director of clinical science Rob Phillips said the publication was "more important science proving Uscom is safe, accurate and reproducible in pediatrics, an application in which Uscom can really make a difference".

"This study demonstrates the accuracy of Uscom measures when used by different operators in the emergency department on children," Mr Phillips said.

Uscom chief executive officer Paul Butler said the study supported the company's proposition for adoption and re-imbursement.

"That this study is in paediatrics, our major target market, is especially pleasing," he said.

Uscom was untraded at 27 cents.

UNILIFE MEDICAL SOLUTIONS

Unilife says the \$16.4 million exclusivity fee from Sanofi-Aventis has provided the funds to move its headquarters to the Integrated Biosciences site in Pennsylvania.

Unilife said the payment was made on scheduled under a licence agreement (see Biotech Daily; July 1, 2008) giving Sanofi-Aventis the exclusive right to purchase the Unilife Prefilled Syringe for five years.

The company said that with the \$16.4 million it had cash reserves of \$18 million a “solid financial platform ... to become a profitable multinational leader in the development and supply of innovative safety medical devices”.

Unilife said it had begun “a consolidation program that will further streamline global business activities ... focused upon the cost-efficient delivery of core internal projects such as the Unilife Prefilled Syringe” to generate revenue.

Unilife said a number of key corporate and operational functions would be transferred to the Pennsylvania-based 100 percent subsidiary, Integrated Biosciences.

Unilife chief executive officer Alan Shortall will be one of a small number of executives relocating to Integrated Biosciences.

The company will also provide redundancies to some of its 15 Australian staff.

Unilife said the centralization of key corporate and operational functions at Integrated Biosciences would strengthen cost efficiency and help ensure the industrialization of the Prefilled Syringe remained on-track. The company said its industrial capabilities were being significantly expanded, including the engineering and operational resources at Integrated Biosciences and the establishment of a European base.

Unilife said it would continue to maintain a business presence within Australia to support business reporting functions.

Unilife fell half a cent or 1.67 percent to 29.5 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network will discuss partnering and/or licencing with large pharmaceutical companies at its August 13, 2008 ‘Bio-Workshop’.

The Network says biotechnology managers “need to have a clear strategic understanding of the product focus and the level of preparation that is required to seriously discuss partnering and licencing opportunities with big pharma”.

The August Bio-Workshop analyzes the therapy areas of interest and the partnering processes of sponsors CSL, Glaxosmithkline and Wyeth.

The session will be hosted by Clayton Utz.

CSL’s director of commercial development of research and development Dr Tony Eglezos, Glaxosmithkline Australia’s head of research and development alliances Dr Ashley Bates and Wyeth Australia’s director of corporate affairs and health strategy, Dr Michael Nobes will each provide a detailed look at the therapy areas of interest and business development processes of their respective companies.

The workshop will conclude with a biotechnology company panel discussion from Metabolic’s former chief executive officer Dr Roland Scollay and Halcygen executive chairman Dr Roger Aston who will examine key partnering and licencing success factors. The workshop will be held at Clayton Utz, Level 18, 333 Collins St, Melbourne.

Registration is at 8:40am and will conclude at 12.30pm followed by a light luncheon.

Prices are \$250 (including GST) for Bio-Melbourne Network members and \$800 for non-members. Registrations close on August 6, 2008.

For more information contact Nicole Pitcher by email: npitcher@biomelbourne.org, or telephone +613 9650 8800 or visit www.biomelbourne.org.

IM MEDICAL

IM Medical has signed a \$5 million standby subscription agreement arranged by Fortrend Securities.

Under the three year facility Fortrend has committed to provide up to \$5 million to IM

Medical to be drawn down at IM Medical's discretion by the issue of shares to Fortrend.

IM Medical has the right but not the obligation to use the facility and determines the timing of any drawdown.

Shares will be issued at a 10 percent discount to the average closing price calculated over the five trading day period following a drawdown notice.

The facility will provide funds as required, providing more freedom to promote the Intelliheart test and finalize the development of the Cardanal technology.

IM Medical was up 0.1 cents or 9.09 percent to 1.2 cents.

COGSTATE

Cogstate says its fully underwritten non-renounceable rights issue of 5,967,553 new shares at 10.27 cents a share will raise about \$613,000.

Last week, Cogstate said it would raise \$1.4 million through a \$799,000 placement and a \$613,000 rights issue (see Biotech Daily; July 29, 2008).

The rights issue will offer eligible shareholders one share for every 10 shares held on the record date of August 12, 2008.

Cogstate said the rights issue would be fully underwritten by United Biosource Corp, Myer & Myer, DA & DG Simpson, Wooldridge Colman Superannuation Fund, Richard Morgan and Angeheni Investments.

The underwriters will not be paid a fee.

Cogstate said the funds would be used for general working capital.

Cogstate was untraded at 11 cents.

NUSEP

Nusep says director Dr Choon Lee has resigned.

Dr Lee has been a director for two years of the biological separations company.

Nusep said it has "innovative yet simple biological separation techniques including the world's first [in vitro fertilization] sperm separation device".

Nusep was untraded at 8.1 cents.