



Biotech Daily

Monday June 23, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: UNIVERSAL BIO UP 5%, BENITEC DOWN 11%**
- * **ALCHEMIA'S SYNTHETIC HEPARIN DELAYED; PATENTS GRANTED**
- * **NOVOGEN LICENCES ISOFLAVONOID PATENT TO SPANISH FLEET**
- * **SHAREHOLDERS CALL FOR APOLLO BOARD SPILL**
- * **SAFETY MEDICAL DEVELOPS NEEDLE-CAP HOLDER**
- * **COMPUMEDICS' CHAIRMAN TO SELL DOWN; REALIZE VALUE**
- * **ELLEX REQUESTS PERSONNEL CHANGES TRADING HALT**
- * **NORWOOD PLACEMENT RAISES \$200k**

MARKET REPORT

The Australian stock market slipped 0.1 percent on Monday June 23, 2008 with the All Ordinaries down 2.9 points to 5,408.9 points.

Six of the Biotech Daily Top 40 stocks were up, 22 fell, nine traded unchanged and three were untraded.

Universal Biosensors was best, up four cents or 4.65 percent to 90 cents on small volumes, followed by Alchemia up 1.5 cents or 4.41 percent to 35.5 cents.

Peplin climbed 2.5 percent; with Circadian and Neuren up more than one percent.

Benitec led the falls, down one cent or 10.87 percent to 8.2 cents, followed by Proteome down 10.71 percent to 12.5 cents.

Sunshine Heart and Ventracor lost more than nine percent; Agenix, Cellestis and Mesoblast were down more than eight percent; Genetic Technologies was down 7.62 percent; Polartech lost 6.67 percent; Heartware, Pharmaxis, Phosphagenics and Tissue Therapies fell more than four percent; Avexa, Bionomics, Progen and Starpharma were down more than three percent; CSL, Cytobia and Living Cell shed more than two percent; with Clinuvel, Prana and Resmed down more than one percent.

ALCHEMIA

Alchemia's synthetic heparin launch has been delayed by up to six months.

Alchemia chief executive officer Dr Pete Smith told Biotech Daily that the launch had been "delayed by up to six months due to the time taken to overcome a range of minor technical issues".

In a media release to the market Alchemia said that with its manufacturing partner Dr Reddy's of India it had "made significant progress towards commercialization", with approval and launch expected by June 30, 2009 depending on review time at the US Food and Drug Administration.

Alchemia also said it had been granted the first two Australian patents in the 'synthetic heparin oligosaccharide' family of patents.

Two more divisional applications have completed the examination process, have been accepted and "are expected to be sealed in the next few months".

The patents are being examined in other major markets.

Alchemia's vice-president of intellectual property Michael West said the patent family provided legal protection for Alchemia's processes for the synthesis of fondaparinux sodium through to September 6, 2022.

There has been an increased interest in synthetic heparin following a contamination scare involving animal-derived heparin earlier this year (see Biotech Daily; March 25, 2008).

Alchemia's fondaparinux is free of animal products.

Alchemia climbed 1.5 cents or 4.41 percent to 35.5 cents.

NOVOGEN

Novogen has licenced a patent covering its isoflavonoid technology for dietary supplements to Laboratorios Casen-Fleet for its use in Spain.

Novogen is the registered owner of the European Patent 'Use of isoflavone phyto-oestrogen extracts of soy or clover'.

Novogen said Laboratorios Casen-Fleet was the Spanish affiliate of US healthcare company Fleet Laboratories which has acquired the red clover isoflavone based menopause product Fitogyn from Laboratorios Gynea SA.

In conjunction with the product acquisition Laboratorios Casen Fleet and Novogen have agreed on confidential terms for a patent licence agreement.

Novogen's chief executive Christopher Naughton said the company was dedicated to the development of isoflavonoid technology, protected by intellectual property, in both the dietary supplement and prescription pharmaceutical arenas.

In Europe Novogen has negotiated patent agreements with Laboratorios Casen-Fleet and Melbrosin International the manufacturer of Menoflavon.

Novogen's dietary supplement products are Promensil for women's health including the relief of menopausal symptoms and Trinovin, for prostate health which are marketed directly by Novogen in Australia, Canada and UK and under licence to distributors in the US, Europe, South East Asia and South Africa.

Mr Naughton said that "since 2005 Novogen has successfully enforced its isoflavone patent portfolio against US companies such as GNC, NBTY., Natural Alternatives International, Swanson Health Products and Chattem and Canadian companies such as Swiss Herbal, Sante Naturelle and Genuine Health."

Novogen's investigational anti-cancer drug phenoxidiol is in phase III human clinical trials in the US, Europe and Australia.

Novogen was unchanged at \$1.26.

APOLLO LIFE SCIENCES

A group of Apollo shareholders have requisitioned a general meeting to call for a spill of the board.

The shareholders have called for the removal of chief executive officer John Priest and Prof Antony Basten as directors to be replaced by Dr Thomas Wenkart and John Maher. Dr Wenkart is the chief executive of Macquarie Health Corporation. He is named in many articles relating to the company as well as a former business partner, medical entrepreneur, Geoffrey Edelsten, who was de-registered as a doctor.

According to Apollo's 2007 annual report Mr Priest held 53.45 of the company's issued capital.

Apollo said the date, time and place of the meeting will be announced in due course.

Apollo requested a voluntary suspension on March 18, 2008 (see Biotech Daily of that date) following a slide in its share price.

The company's market capitalization fell from \$40 million in August 2007 to \$8 million on March 18.

Mr Priest told Biotech Daily at that time that US offers of funding "were withdrawn in January when the meltdown began".

Apollo has been developing human expressed proteins as well as an oral insulin drug. Apollo last traded at four cents.

SAFETY MEDICAL

Safety Medical Products has lodged patent and Therapeutic Goods Administration certification applications for its Pen Needle Aid device.

The company said the soft rubber needle cap holder device made attaching, recapping, removing and disposing of all brands of insulin pen needles "much safer and easier".

Safety Medical said people with diabetes must recap pen needles after injecting, in order to unscrew the needle from the insulin pen, exposing them to possible needlestick injuries. Needlestick injury potential also exists where health industry workers administer injections to patients and similarly must recap the needles after use.

This device allows for a secure grip of the pen needle cap, making it easier to remove the cap prior to injecting.

The cap remains in the Pen Needle Aid while the injection is completed and the needle is then inserted into the cap at completion, unscrewed and disposed.

With correct use, fingers are at all times kept clear of the needle, greatly reducing the chance of accidental needlestick injury.

Safety Medical said the device was easy to use and is suitable for all brands of pen needles.

"It is made from soft but durable rubber and is designed to be re-used as a valuable tool during Insulin Pen use," Safety Medical said.

The company said that "extensive world wide patent searches have revealed no such similar device is available" and it would move quickly to promote it.

Safety Medical said that with more than 270 million people with diabetes worldwide, growing annually, there was "huge potential" for the product.

The company said it expected TGA certification in July and would promote the device in Australia and New Zealand alongside its range of insulin pen needles be available through the National Diabetes Services Scheme (NDSS) from July 1, 2008.

Safety Medical said its Comfort Point Standard Insulin Syringes had been approved by the Federal Department of Health and Ageing for inclusion onto the NDSS list.

Safety Medical was up 0.1 cents or 1.25 percent to 8.1 cents.

COMPUMEDICS

Compumedics chairman David Burton will increase share liquidity by selling down some of his 67 percent holding in the company.

Mr Burton told Biotech Daily he intended "to significantly change the liquidity of the company subject to realization of its value in light of the Respireonics acquisition by Philips."

In a media release to the ASX Mr Burton said that high quality medical-device companies like Compumedics were valued at 30 to 40 times their earnings and companies in the sleep sub-sector had been valued at up to 50 times earnings.

"Evidence of the interest in the sector was the March 2008 purchase of Respireonics by Royal Philips Electronics for a price that was a multiple of approximately five times Respireonics' 2007 sales," Mr Burton said.

"In addition, the company is looking to raise capital and will consider merger and acquisition opportunities in order to exploit the current heightened interest in the sleep-treatment sector," Mr Burton said.

Mr Burton said additional funding would accelerate the company's growth trajectory by expanding sales and distribution forces in key markets, particularly the US.

He said the company would continue to meet with investment bankers, corporate advisers and communications specialists to identify the appropriate strategy to maximize shareholder value.

Mr Burton said 5,000 beds were equipped with Compumedics sleep-diagnostic systems globally, "including the larger prestigious sleep laboratory centres of clinical and research excellence".

He said one key development was US reimbursement for home sleep testing studies with devices in Classes III and IV. Compumedics sells devices in these classes and the available market in the US "may be as much as \$US500 million a year and Compumedics should gain a share of this new market in the new financial year".

He said the company was about to release the Neuvo long-term electroencephalograph monitoring system into an established neurology market with sales of \$US1 billion a year.

He said Compumedics would enter the sleep-treatment market with "the imminent release of the first order of its Somnilink [positive airways pressure] device".

Compumedics was untraded at 16 cents.

ELLEX MEDICAL LASERS

Ellex has requested a trading halt pending an announcement regarding "a potential change in a member of key personnel".

Trading will resume on June 25, 2008 or on an earlier announcement.

Ellex last traded at 42 cents.

NORWOOD ABBEY

Norwood Abbey says a placement of 6,666,667 shares and attaching options at two cents a share and one cent an option has raised \$200,000.

Norwood Abbey fell 0.9 cents or 9.09 percent to two cents.