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In this edition...
Clinuvel Pharmaceuticals sits unnoticed by investors, a fact that may make it just the stock to build a position in, now that it has completed a Phase III trial of Scenesse in EPP, a sun intolerance condition. Clinuvel is attractive because it is following the orphan drug path to building a business. ChemGenex Pharmaceuticals looks to be back on track following its Type A meeting with the FDA. It now has a clear path going forward, and should be able to submit an NDA for Omapro as a therapy for CML patients who have failed two or more tyrosine kinase inhibitors by year's end. We also update readers on progress at two platform technology companies, Starpharma and Phosphagenics.

The Editors
Companies Covered: AMT, CXS, CUV, POH, SPL

	Bioshares Portfolio
Year 1 (May '01 - May '02)	21.2%
Year 2 (May '02 - May '03)	-9.4%
Year 3 (May '03 - May '04)	70.0%
Year 4 (May '04 - May '05)	-16.3%
Year 5 (May '05 - May '06)	77.8%
Year 6 (May '06 - May '07)	17.3%
Year 7 (May '07 - May '08)	-36%
Year 8 (May '08 - May '09)	-7.3%
Year 9 (May '09 - May '10)	49.2%
Year 10 (May '10 - Current)	-6.8%
Cumulative Gain	**170%**
Av Annual Gain (9 yrs)	**18.5%**

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Bioshares

16 July 2010
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Delivering independent investment research to investors on Australian biotech, pharma and healthcare companies.

Clinuvel Pharmaceuticals – Phase III Success Paves Way For European NDA

One of the investment options receiving little attention is Clinuvel Pharmaceuticals. The company is commercialising a pharmaceutical product, Scenesse, which is a depot injected under the skin that delivers around two months of protection from sunlight for people with severe sun intolerance disorders. The product works by increasing the melanin density of the skin.

Primary Endpoints

This week the company announced positive Phase III trials in its lead indication, EPP (erythropoietic protoporphyria). In a study that involved around 100 patients with 91 completing 12 months of treatment, statistical significance was clearly achieved on the primary measure of reduction in frequency of pain resulting from sunlight exposure.

In a second measure where patients decided to modify behaviour with continuous exposure to sunlight, statistical significance was not achieved in pain reduction but a trend toward reduction was (p=0.1654), still a good result.

Secondary Endpoints

In secondary endpoints, there was a statistically significant increase in the time patients on the drug could spend exposed to sunlight. Melanin levels increased by between 28%-29%. On the measure of changes to quality of life, the response from patients did not match that from doctors the company indicated, with most patients requesting to stay on treatment after the trial.

The drug was well tolerated with no adverse events.

Good Recruitment Rate - Strong Patient Demand

Recruitment rate into a trial is an important measure of the demand for a particular drug candidate. This trial started recruiting patients in June 2007. The trial has been completed within three years, including 12 months of treatment. This indicates that the 100 patients were recruited within two years, which for an orphan disease such as EPP, would confirm there is a strong patient demand for the drug.

The company has indicated the majority of the patients have requested to stay on treatment. At the start of this year Clinuvel indicated that around 150 patients were taking the drug under compassionate access use. And the drug has been approved for use in Italy

– Cont'd on page 3

2010 Thredbo Biotech Summit Speaker List

Speakers
Jon Pilcher & Hugh Alsop
Acrux Ltd

Jason Armstrong, CEO, Primed

Brendon Coventry, University of Adelaide
(Associate Professor inSurgery)

Rob Crombie, C2CC

Jackie Fairley, CEO, Starpharma Holdings

Tim Grogan, CEO, Dimerix Pty Ltd

Peter Howard & Andrew Gaffney
Middletons

Phil Kearney
Merck Sharp & Dohme

Phil Magistro, Chief Commercial Officer
QRxPharma Ltd

Tom McCarthy, CEO
Spinfex Pharmaceuticals

Speakers
Brad O'Connor, CEO, Cogstate Ltd

Greg Roger, CEO, ASDM Ltd

Iain Ross & Peter French, Benitec Ltd

Darren Shafren, CSO, Viralytics Ltd

Brigitte Smith, GBS Venture Partners

Shane Story, Wilson HTM

Mark Pachacz, Bioshares

Panelists

Remy Bernarda, Blueprint Life Science Group

Michael Lusis, Wilson HTM

Matt McNamara, IB Managers

Scott Power, RBS Morgans

Deborah Rathjen, CEO, Bionomics

Speakers
Dr Suku Thambar, CSO of PCS Pty Ltd
(Interventional Cardiologist)

Paul Watt, CEO Phylogica Ltd

Simon Wilkinson, CEO
Innate Therapeutics (NZ)

Nick Woolf, Non-Executive Director
Phylogica Ltd

Chairs

Martin Ashdown

Peter Bradley, Innate Therapeutics

Mike Hirshorn, Four Hats Capital

Michael Johnson , Cogentum

David Blake, Bioshares

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A full program can be viewed at: **www.bioshares.com.au/thredbo2010.htm**

Starpharma Gets Greenlight for BV Trial

Starpharma (SPL: $0.495) has received the go-ahead from the FDA to commence clinical studies of Vivagel in women who develop bacterial vaginosis (BV). BV is currently treated with antibiotics. However, compliance to treatment regimes is poor and this is associated with high rates of recurrence.

Vivagel is a precisely constructed large, branch-shaped molecule to which small chemical groups with different chemical properties can be attached. These functional groups are designed to inhibit viruses such as HIV and HSV, and it was in studies of Vivagel conducted in women with HSV infection that unexpected but positive benefits occurred in patients with bacterial vaginosis.

Phase II Study

Starpharma will commence a Phase II study within a month, enrolling 132 women. Three different doses of VivaGelwill be evaluated, including 0.5%, 1% and 3% doses, with the drug applied once a day for seven days. Trial subjects will be assessed for levels of infection and evidence of symptoms after seven days and also two to three weeks after the completion of the treatment.

Hiring of new Vice-President Business Development

Starpharma has announced the appointment of Malcolm McColl as its third senior business development executive. McColl had worked with CSL for 13 years (where he worked alongside CEO Jackie Fairley previously), with Pfizer's animal health business and most recently with **Hospira**, where he managed the in-licensing of **ChemGenex Pharmaceuticals**'s omacetaxine. It is McColls extensive licensing experience, and also drug delivery experience that is of appeal to Starpharma.

The addition of McColl has occurred in response to Starpharma's goal of extracting as much value from its dendrimer chemistry platform as possible. The company has established drug delivery collaborations with **Eli Lilly**, as well as it animal health company, **Elanco**, and **GlaxoSmithKline** through its acquisition of dermatology company **Stiefel**. The rights to use of dendrimers in laboratory reagents have been partnered with **Qiagen** and **EMD Merck**. In November 2009, it signed a research and collaboration agreement with an un-named US agrichemicals company for the appli-

– Cont'd on page 3

– *Clinuvel..from page 1*

earlier this year, being fully reimbursed at a high but unknown price at this stage. Of the 200 people identified with the disease in Italy, 60 have indicated they wish to proceed with regular treatment with Scenesse.

Market Opportunity

In March 2009, Clinuvel estimated the US market size for EPP for Scenesse to be US$25 million in 2006. Based on doubling this figure, the global market for EPP would be around US$50 million. This is a reasonably accurate estimate given the Italian data, where 200 patients have been identified of which 60 indicated they wished to undertake treatment. With these take up rates and a high sale price, we estimate the company could initially generate sales of $30 million a year from the treatment for EPP alone from global sales.

Orphan drugs have the potential to become blockbuster products (see *Bioshares* 365). The commercialisation strategy is often to proceed with initial development under orphan drug class regulatory status, then to expand into other orphan or non-orphan indications.

The second indication for Scenesse is for the treatment of PLE (Polymorphous Light Eruption). Phase III trials are currently underway and Clinuvel estimates the US market size to be worth US$40 million in 2006 in the US. (Again a doubling of that figure to US$80 million for the world market makes for a reasonable estimate).

However, it is the third indication that could really accelerate commercial uptake, and that is in the prevention of skin cancers in patients taking immune suppression treatment following an organ transplant. This market was estimated at US$240 million in 2006 in the US alone by Clinuvel. Phase II trials are currently underway in this indication, recruiting patients at six sites in Australia and Europe. The trial is seeking to enrol 200 patients.

There area also other indications which the company is not pursuing at this stage, including solar urticaria and for patients undergoing photodynamic therapy.

Regulatory Submission for Scenesse

These results should be sufficient for the company to file for wider regulatory approval in Europe by year's end. Assuming satisfactory progress at the regulatory level, we would expect approval for sale across Europe by the end of 2011.

The company is continuing a second EPP trial, as a back-up study if required, which commenced in August 2009. This is a six month trial only, recruiting 45 patients. The company has also been asked by regulators to develop a pediatric dose of its therapy.

A Phase II trial in 100 patients started in the US in April this year with patients with EPP. Four sites have completed enrolment with two sites continuing enrolment.

Viable Commercial Product

That Scenesse is being used by 150 people on a compassionate use basis, that regulators have asked the company to develop a pediatric version, that Italian regulators have approved the drug early for use because of the unmet clinical need and demand from patients and physicians, and that all trials for EPP have yielded positive results with no serious adverse events, suggests this product has a place as a viable commercial pharmaceutical product.

Many very successful businesses have been established on the development of drugs to treat of orphan drug diseases. Clinuvel is well placed to follow in these footsteps.

Summary

Clinuvel is capitalised at $76 million and had $29 million in funds at the end of March this year. Investors may need to be patient with this stock, as shareholders who had invested in Clinuvel for the drug's alternate use as a tanning product continue their exit from the register.

Bioshares recommendation: **Speculative Buy Class A**

Bioshares

– *Starpharma...from page 2*

cation of Starpharma's dendrimer chemistry to pesticides. Starpharma also has an agreement with **SSL International** for the application of Vivagel as a condom coating. SSL International markets the Durex brand of condoms. Other opportunities exist in developing products for use with adhesives, lubricants and in water remediation. Starpharma CEO Jackie Fairley believes that the opportunities that exist for Starpharma's dendrimer platform in drug delivery and agriculture outshadow all the other elements of the business.

Summary

The biotech sector is undergoing a pronounced contraction, with at least 14 companies changing their business, entering administration, or being acquired in the last twelve months. For a company to appoint a new high-level executive goes against this contractionary trend, as does a current round of hiring of chemists to meet anticipated increases in workloads.

Although Starpharma has a product in clinical development (Vivagel), the Starpharma business model has become increasingly focused in creating multiple licensing opportunities in multiple product application areas. This is a low risk approach to business development and wealth creation.

Starpharma is capitalised at $118 million.

Bioshares recommendation: **Speculative Buy Class A**

Bioshares

ChemGenex Pharmaceuticals Back on Track

Chemgenex Pharmaceuticals ($0.345) is back on track after it reached an agreement with the US drug regulator, the FDA, for the development of its lead oncology drug candidate, Omapro. Chemgenex received a setback in March when the FDA asked the company to develop an FDA approved diagnostic test for the T315I mutation in patients with CML.

Chemgenex will now file a new NDA (new drug application), this time for patients with CML who have failed two or more treatments with existing CML drugs (tyrosine kinase inhibitors or TKIs). This gets the company around the whole validated diagnostic test issue although the company is still in discussions with the FDA's Center for Devices and Radiological Health (CDRH) regarding the task of obtaining approval a diagnostic test. The company has been assisted by its European partner Hospira, with some of the Hospira team accompanying Chemgenex to FDA meetings. Chemgenex is also resolving its vial size issue raised by the FDA.

Pooling of Data

The path forward for Chemgenex is now much clearer. The main point of the agreement with the FDA is that it can pool data from the first trial in 100 patients where the entry criteria was patients having the T315I mutation, with data from a second trial which is now also completed, where the entry criteria was patients having failed two or more TKIs. In the first trial most of the patients had also failed two TKIs as well as possessing the mutation. This will give Chemgenex a patient pool of around 180 patients. The other key outcome is that the FDA will accept the single arm trial design.

Chemgenex believes the market for patients who have failed two TKIs is four to five times as large as the T315I patient group. Chemgenex is anticipating filing its new NDA by year's end and if it gets priority review once again, the company should get an answer from the FDA by mid-2011.

This will delay the approval by just over a year but Chemgenex expects the market it can access on launch will be increased in size. Based on comments from some of the FDA ODAC panellists on the risk-benefit aspect of the drug, our expectation is that the company should be successful this time round with its NDA submission. Chemgenex will leave its T315I NDA submission open as it seeks to make an FDA approved and validated diagnostic available to physicians.

Two TKI failure results - Study 203

The efficacy of Omapro in the 203 study was similar to that seen in patients with the T315I mutation, which is not surprising. According to Chemgenex data, 27% of patients in the chronic phase of CML achieved a major cytogenic response compared to 23% in the 203 study. This efficacy rate combined with the acceptable safety profile for this group of patients should be sufficient to gain FDA approval, given positive comments from experts made at the ODAC meeting. A second ODAC panel meeting may not be required.

Changing CML market

The number of patients living with CML continues to expand due to the very effective therapy offered by Gleevec, a TKI marketed by **Novartis** and other TKIs. However, this also increases the number of patients with CML who develop resistance to therapy as a result of mutations including T315I. By 2024, it is expected there will be around 80,000 patients in the US alone living with CML.

The commercial landscape is changing. Last month another TKI, Tasigna, was approved for first line use for patients with Philadelphia chromosome-positive CML. Another second line TKI was accepted for priority review last week for consideration as a first line therapy. And in 2015 Gleevec, which generates around US$4 billion in sales, starts to come off patent. This break up of the market, together with the increasing patients living with CML, may see expanded opportunities for drugs such as Omapro.

Chemgenex had $18.7 million in cash at the end of last year. The company is not expecting to raise cash at this stage. Other sources of potential funding may come from milestone payments from **Hospira** if Omapro receives approval from European regulators later this year which we expect it will, from royalties from Omapro sales in Europe in 2011, and from licensing of the drug candidate into other territories outside of Europe and the US, including Japan.

Chemgenex is capitalised at $98 million.

We have upgraded our recommendation to a **Speculative Buy Class A** given recent clarifications of the path to market for Omapro.

Bioshares

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ASDM Rewrites Deal With AllVascular

ASDM (AMT: 50 cents) has signed a formal licensing agreement with **AllVascular** for the commercialisation of the Peripheral Access Device (PAD). ASDM will take full control of the development of the device and AllVascular will receive a royalty from net sales of the PAD, whether those sales are generated by ASDM or by others.

Previously the agreement with AllVascular was less clear, with ASDM only holding manufacturing rights despite managing the clinical development of the device.

The PAD system is unique and a very attractive product for ASDM. The PAD is being trialed in the prevention of limb amputation. In a pilot study, the device saved the legs of around half of the participants.

Pivotal Study Commences

A pivotal study in 40 patients in Australia is now underway with the first patient having been successfully treated and discharged. This first patient was expected to have his leg amputated. Following the procedure the company stated the patient is without pain and his leg are ulcers healing. The surgeon who conducted the

– Cont'd on page 6

Contributed Discussion

Big Pharma Spin-outs – An Accelerating Trend

With the recent spate of mergers and acquisitions amongst the big players in the industry, many pharma companies are finding that they have bulging early-stage pipelines which they can no longer afford, while, at the same time they continue to struggle with high rates of attrition in the clinic and an unprecedented loss of future revenue from a string of upcoming patent expiries on today's blockbuster drugs.

With a desire to keep hooks into potential hidden gems without burdening the company's profit and loss statement, more and more big pharmas are seeking to spin-off a number of their early-stage programs into smaller more flexible companies but at the same time retain an option to license back the asset upon achieving certain development milestones, typically "proof of clinical concept" studies.

Such a model has its advantages and disadvantages to the licensee, usually a small biotech company or start-up. The most obvious advantage is that there is a pre-identified potential customer for the product if the development program meets the buy-back criteria. Given that the majority of biotech companies still rely on a larger partner to continue development of their programs once they reach the stage of large pivotal trials this can be a symbiotic relationship. It can offer the best of both worlds for the small biotech, i.e. the ability to remain small and flexible, efficiently adding value with a clearly defined commercial goal in mind. This latter point is not to be underestimated; many biotechs tend towards a blind faith in their programs and only begin to understand the real commercial opportunity when shopping the product around in search of a partner, usually after spending substantial amounts of their investor dollars.

The result of this activity can be quite revealing and somewhat disappointing if the product isn't competitive or that the development path taken doesn't meet the potential partner's criteria, leading to back-tracking of the program and a consequential loss of both valuable patent life and dollars which most can ill-afford. Secondly, having an identified partner means that the program comes, to a degree, de-risked from an investor standpoint. Thirdly, notwithstanding the rigors of due diligence and commercial attraction, the program comes with a pedigree of pharma development expertise and continued input.

Finally, the potential to license a cluster of programs, perhaps within a specific therapeutic area, from one or more pharma companies allows the intrepid biotech entrepreneur the possibility of offering potential investors a unique opportunity to nucleate a new company that spreads the risk across several development programs.

Some pharma companies have advanced their thinking on this model considerably and developed sophisticated approaches that include the establishment of investment funds in which the pharma itself is one of the investors. The funds have a mandate to fund the pharma's surplus assets, though they may not be restricted to investing in only that pharma's programs.

While the overall concept is appealing to both pharma and biotech, as always, the devil is in the detail. The critical detail of course are the economic terms of what is, in effect, two transactions in one: the first is the licensing of the programs from the pharma into the biotech, and the second is to agree on what, and how much, definition to place on the terms of the pharma's "buy-back" option.

In defining the buy-back terms, if the objective of the pharma is to relieve their P&L, accounting rules will require that they are not establishing a precedent to re-acquire the asset on "preferred" terms. This has the advantage to the biotech of placing the asset in the open market and deal terms are defined relative to the attractiveness of the program at prevailing market conditions. Options to co-promote and/or retain regional license rights may also be negotiated allowing the biotech more opportunities to continue to participate in the upside of a successfully developed program.

What if ...?

An obvious question is what happens if the pharma partner doesn't want the program back despite the fact it meets the defined buy-back criteria, which is not an unrealistic outcome given the ever shifting commercial and therapeutic focus within big pharma. In this case, the terms allow for the biotech to either offer the program to another partner or continue the development independently, as it sees fit. The license agreement would typically allow for some level of downstream payments, such as a royalty, back to the originating pharma company.

The traditional venture funds may be somewhat suspicious of this model. Why, they may ask, is the pharma releasing the asset if they really value it? On the other hand non-traditional sources of capital may well find this model appealing. For example, regional investment funds may view this as an opportunity to build a local biotech base with the backing of a large international pharma player.

To Make It Work

For the model to work several factors have to come together: First and foremost, pharma companies will need to recognise that the assets they offer are of sufficient quality and commercial relevance to attract external investors. Secondly, pharma will need to recognise that this is not an opportunity to leverage external funds to mitigate the cost of failure, the market will dictate that the "buy-back" price takes into account all developmental overhead including that for failed programs. The buy-back price will also need to include a handsome return for investors who are not just interested in getting their money back. Lastly, whether the model will work will depend critically on the value-add that the biotech company can deliver through the efficient utilisation of available capital.

Dr. Cliff Holloway is a Sydney based partner at Velocity Partners LLC. Velocity Partners is currently advising a number of venture firms, pharmaceutical and biotech companies on program divestment opportunities. Email: cholloway@velpartners.com

– ASDM...from page 4

procedure said the result was "amazing" with the patient having severe peripheral vascular damage and ulcers prior to treatment.

The PAD system works by taking blood from the artery into a pump and then reintroduces the blood to the limb above the diseased area at a high pressure that is maintained for 24 hours. The pressure in the limb is then returned to normal for 24 hours before the procedure is repeated. The process encourages the release of growth factors that promote new blood vessel growth in diseased limbs with vascular damage.

The pivotal study is expected to near completion by the end of this financial year with a regulatory filing in Australia possible by the end of 2011 if recruitment goes well and more positive results are achieved. Under a mutual recognition agreement, the company should also then be able to gain clearance to sell the product in Europe. If the company decides to raise funds, this process could be accelerated.

The market for the PDA is potentially worth billions of dollars (estimated by the company at over $5 billion a year) with over 3,000 people undergoing amputation each year in Australia alone, most due to diabetes and smoking.

ASDM runs a successful design and manufacturing business in Sydney that makes multiple proprietary products for orthopedic procedures including the knee replacements. In the first half of this financial year the company generated a small profit ($51,000) having invested $623,000 in quality and R&D expenses. Revenues for the half year were just under $4 million, including $1 million as final payment from the sale of one of the company's knee products to **Stryker** in the US.

ASDM also sells products into the UK with its own sales force, into continental Europe through distributors and similarly through distributors into the US. The company had $1.14 million in cash at the end of last year. It is capitalised at $18 million.

Bioshares recommendation: **Speculative Buy Class A**

Stock Update – Phosphagenics

Phosphagenics (POH: 10.5 cents), like Starpharma, is working to extract value from a platform technology, that of alpha-tocopherol (a form of Vitamin A). The alpha-tocopherol platform is being developed as a drug delivery technology, both systemic and local, and for use in cosmetic and skin care products.

Alpha-tocopherol itself has two forms, a 'mono' form and a 'di' form. The altering of the ratio of these two forms is the means by which the rate of penetration of active drug substances is permitted to transport through layers of skin. Phosphagenics has been evaluating its alpha-tocopherol technology (TPM) to deliver pain drugs such as morphine and oxycodone across the skin as well as insulin. It has developed a range of personal skin care products which are now being marketed in **Pulse Pharmacies** across Australia.

In March of this year Phosphagenics established a joint venture (**Phusion Laboratories**) with **Quigley Corporatio**n to develop products for the skin care/acne market. Nasdaq-listed Quigley sells the Cold-EEZE over-the-counter product. Under the terms of the joint venture, Phosphagenics received a payment of US$1 million and 1.44 million Quigley shares. The arrangement will see Phosphagenics oversee product development while Quigley will take responsibility for distribution, marketing and sales.

TPM/AOD9604 program

Also of interest is the TPM/AOD9604 program, which is combining **Calzada**'s AOD9604 growth hormone fragment (peptide) with the TPM technology to develop a transdermally delivered cosmetic product to dissipate fat deposited under the skin. This subcutaneous fat is also referred to as cellulite. The confounding problem with AOD9604 was that it was never able to be detected in the blood, although *in vitro* studies demonstrated that it could dissipate fat. Phosphagenics intends to complete formulation and efficacy studies by the end of 2010 and commence a commercialisation process in 2011. This may become one of the more interesting programs in development with Phosphagenics, provided a robust strategy for commercialisation in the cosmetics field can be established.

What is attractive about Phosphagenics is that it continues to look for ways to exploit its technology platform, including the faster paths to market that are available outside of the slower, more regulated human healthcare market. Phosphagenics is capitalised at $78 million.

Bioshares recommendation: **Speculative Buy Class B**

Bioshares

Bioshares Model Portfolio (16 July 2010)

Company	Price (current)	Price added to portfolio	Date added
Sunshine Heart	$0.033	$0.036	June 2010
Biota Holdings	$0.94	$1.09	May 2010
Tissue Therapies	$0.19	$0.21	January 2010
QRxPharma	$1.10	$0.25	December 2008
Hexima	$0.18	$0.60	October 2008
Atcor Medical	$0.13	$0.10	October 2008
CathRx	$0.27	$0.70	October 2008
Impedimed	$0.53	$0.70	August 2008
Mesoblast	$1.73	$1.25	August 2008
Circadian Technologies	$0.60	$1.03	February 2008
Patrys	$0.10	$0.50	December 2007
Bionomics	$0.32	$0.42	December 2007
Cogstate	$0.25	$0.13	November 2007
Sirtex Medical	$4.90	$3.90	October 2007
Clinuvel Pharmaceuticals	$0.25	$0.66	September 2007
Starpharma Holdings	$0.50	$0.37	August 2007
Pharmaxis	$2.14	$3.15	August 2007
Universal Biosensors	$1.45	$1.23	June 2007
Probiotec	$1.32	$1.12	February 2007
Acrux	$1.78	$0.83	November 2004
Alchemia	$0.42	$0.67	May 2004

Portfolio Changes – 16 July 2010

IN:

No changes.

OUT:

No changes.

How Bioshares Rates Stocks

For the purpose of valuation, *Bioshares* divides biotech stocks into two categories. The first group are stocks with existing positive cash flows or close to producing positive cash flows. The second group are stocks without near term positive cash flows, history of losses, or at early stages of commercialisation. In this second group, which are essentially speculative propositions, *Bioshares* grades them according to relative risk within that group, to better reflect the very large spread of risk within those stocks.

Group A

Stocks with existing positive cash flows or close to producing positive cash flows.

Buy	CMP is 20% < Fair Value
Accumulate	CMP is 10% < Fair Value
Hold	Value = CMP
Lighten	CMP is 10% > Fair Value
Sell	CMP is 20% > Fair Value

(CMP–Current Market Price)

Group B

Stocks without near term positive cash flows, history of losses, or at early stages commercialisation.

Speculative Buy – Class A
These stocks will have more than one technology, product or investment in development, with perhaps those same technologies offering multiple opportunities. These features, coupled to the presence of alliances, partnerships and scientific advisory boards, indicate the stock is relative less risky than other biotech stocks.

Speculative Buy – Class B
These stocks may have more than one product or opportunity, and may even be close to market. However, they are likely to be lacking in several key areas. For example, their cash position is weak, or management or board may need strengthening.

Speculative Buy – Class C
These stocks generally have one product in development and lack many external validation features.

Speculative Hold – Class A or B or C

Sell

Corporate Subscribers: Pharmaxis, Starpharma Holdings, Cogstate, Bionomics, ChemGenex Pharmaceuticals, Circadian Technologies, Biota Holdings, Halcygen Pharmaceuticals, Impedimed, QRxPharma, Patrys, LBT Innovations, Hexima, Tyrian Diagnostics, Mesoblast, Atcor Medical, CathRx, BioMD, Tissue Therapies, Viralytics

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	$950	6-10 email addresses

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