ISSN 1443-850X

In this edition...
Phylogica could be re-rated if it manages to secure a third collobarative deal for its novel peptide technology by the end of the year. A key factor at play is that platform companies such as Phylogica have begun to be in short supply because the funding flows needed to support these start-up phase biotechs drying up.
Alchemia remains a stock of interest with an ANDA approval for generic fondaparinux, due by our estimates any time now. While the emergence of oral competitors such as apixaban, rivaroxaban and edoxaban is an issue for Alchemia, its lead on these other drugs may be one advantage for a period. We also update readers on potential royalty revenues from Inavir in Japan and note the appoval of the merger of Mesoblast and Angiolast.
The Editors
Companies Covered: ACL, BTA, MSB, PYC

	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)	-4.6%
Cumulative Gain	**177%**
Av Annual Gain (9 yrs)	**18.5%**

Bioshares is published by Blake Industry & Market Analysis Pty Ltd.

Blake Industry & Market Analysis Pty Ltd
ACN 085 334 292
PO Box 193
Richmond Vic 3121
AFS Licence
No. 258032

Enquiries for *Bioshares*
Ph: (03) 9326 5382
Fax: (03) 9329 3350
Email: info@bioshares.com.au
David Blake
Ph: (03) 9326 5382
Email: blake@bioshares.com.au
Mark Pachacz
Ph: (03) 9671 3222
Email: pachacz@bioshares.com.au

Individual Subscriptions (48 issues/year)
$350 (Inc.GST)
Edition Number 378 (24 September 2010)
ISSN 1443-850X

Bioshares

24 September 2010
Edition 378

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

Phylogica – One Deal Away From a Re-Rating

Phylogica should only be one deal away from a significant re-rating by the market. In the last 10 months it has signed two drug discovery deals which major pharmaceutical companies, **Roche** and **AstraZeneca** (**MedImmune**). A third deal by year's end, which is what the company is aiming for, should be enough to convince investors that there is serious interest in Phylogica's technology from the global pharmaceutical industry.

Phylogica has completed its project with Roche and delivered the data to Roche in a day-long presentation in Switzerland, presumably confident that is was successful in meeting the goals of the project. The next stage is for Roche to consider exercising its option to progress the collaboration. If that happens, then Roche will be required to make an upfront payment to Phylogica. Phylogica's option type deals are more back-end loaded. A small option fee is paid to start the collaboration and if the partner wants to progress the collaboration then presumably it's more costly than the US$1.5 million screening deal that the company just secured with AstraZeneca.

If Roche decides not to proceed, then all rights to the work remain with Phylogica. Our expectation is the outcome on this collaboration should be known in this financial year. The terms for extending the agreement were set when the initial agreement with Roche was made.

Strategy

Phylogica's strategy is clear. Its aim is to build up its peptide drug screening business and develop sufficient interest from at least one partner to transact a trade sale in the next 18 months. The company's CEO Paul Watt has recently moved to the UK to be closer to current and potential future partners. Its research team is based in Perth. It has recently hired an experienced European biotech analyst Nick Woolf as its CFO and company investor relations manager. Woolf will shortly move to Perth and will liaise with international and Australian investors.

Financials

Phylogica is capitalised at only $16.5 million (at 5 cents a share) with an estimated $3.0 million in cash and funding following the rights issue and including receipt of funds over the next 12 months from its AstraZeneca deal. The rights issue underway is fully underwritten by Patterson secutirites and will raise $2.4 million before costs.

From these first two deals Phylogica will generate revenue of around $2.1 million. Four deals in a year should see the company start to generate a profit we estimate with revenue of over $5 million. It's a goal that is within management's sights.

Phylogica's larger peers in the international drug library screening business include **Morphosys**, **Evotec**, and **Evolva** (see cutout). The first two trade at market capitalisations of around five times annual revenue. Evolva, which also has a drug discovery deal with Roche, trades on a revenue multiple of 17 times. Plugging these multiples into our fore-

– Cont'd over

Companies Comparable to Phylogica

Below is a summary of Phylogica and companies Phylogica sees as more advanced comparable groups which provide novel drug discovery capabilities to the pharmaceutical and biotech industries.

Phylogica

Phylogica is sourcing peptides from natural protein fragments that have been encoded from ancient bacterial genomes. This diverse range of bacteria have developed diverse and unique properties to allow survival in harsh conditions and have evolved over millions of years. Phylogica is seeking to apply some of the properties of these peptides as effective drug candidates.

Its collaboration with **Roche**, signed in December last year, looks at using these peptides as drug delivery agents to help assist pharmaceutical compounds to penetrate cells.

The goal of its collaboration with **AstraZeneca**, signed in August this year, is to screen Phylogica's library of peptides for an antibiotic-resistant bacterial infection of Pseudomonas aeruginosa. This bacteria is responsible for many hospital based catheter infections and is also linked to about 70% of all bacterial lung infections acquired by people with cystic fibrosis.

Phylogica is capitalised at $16.5 million with around $3 million in cash and committed revenue.

Evolva

The Evolva approach uses gene libraries from plants, insects or fungi that are used to create artificial chromosomes that are inserted into yeast cells to produce interesting small molecules.

Evolva was formed in 2004. In January this year the Swiss biotech formed a drug discovery collaboration with Swiss pharmaceutical group **Roche** to develop novel small molecules against cancer and for anti-infectives. Evolva has one Phase I clinical program underway.

The company generates about CHF 19 million in revenue a year and has CHF 48 million in cash. When it was formed it raised CHF 21.8 million. It has since made two acquisitions and has operations in Switzerland, USA, India and Denmark. The company is capitalised at CHF 327 million, with its share price increasing around threefold following after its Roche deal was announced in January this year. The terms of the deal were not disclosed.

Evotec

Where Phylogica has built up a library of protein fragments or peptides, Evotec has a fragment-based drug discovery approach using very small molecules or fragments of larger molecules which it calls EVOLution. It has a high quality library of 30,000 fragments which have been selected through computational filters and algorithms.

The company has 11 drug discovery partnerships including with Boehringer Ingelheim, Pfizer, Roche, Biogen Idec, Novartis and Genentech.

Evotec was formed in Germany in 1993. In 1998 it raised EUR 23 million, then EUR 28.4 million in 2005, EUR 18.5 million in 2006, and listed on the Nasdaq in 2008 and delisted the following year. It has five drug candidates in clinical development. It is listed on the Frankfurt Stock Exchange and is capitalized at EUR 255 million. It expects to generate revenue of around EUR 52 million this year.

Morphosys

Morphosys is a German antibody company that has built up an antibody library which includes several billion distinct fully human antibodies, called the Human Combinatorial Antibody Library. Similar to Cambridge Antibody Technology (acquired by Astazeneca for US$1.3 billion in 2006), both companies built up their antibody libraries using phage display technology, which resulted in many patent disputes.

Morphosys is now a profitable drug discovery business which generated revenue of EUR 81 million last year and an operating profit of EUR 11.4 million. It has 65 partnered programs with seven of those in Phase I and Phase II clinical trials. Partners include **Novartis**, **Centocor (J&J)**, **Bayer** and **Schering-Plough (Merck)**.

The company was founded in 1992 and is now capitalized at EUR 369 million with EUR 135 million in cash.

cast 12 month revenue for Phylogica of around $5 million could potentially see the company trading on a capitalization from $25 million to $85 million over the next six to nine months.

If the company wants to see its capitalsation at the upper part of this value range, then not only would it need to secure a third screening deal, but it would need to see its initial deal with Roche progress to the next stage. Roche has only paid an option fee of just $435,000 for Phylogica to look at applying its peptides to transport other drug compounds into cells.

Phylogica is conducting a rights issue that has raised $2.4 million. That will place the company in a more comfortable financing position and could be the last round of funding it needs to conduct.

Discussion & Summary

Both **Roche** and **AstraZeneca** have biologics businesses, Roche through **Genentech** and AstraZeneca through **MedImmune**. While these biologics arms have expertise in antibody drug development with very successful antibody drugs on the market, Phylogica offers these groups an exposure to another biologics approach through peptide drug development.

As **Arana Therapeutics** was acquired last year to become the biologics arm for **Cephalon**, and as **Amrad** was acquired as add-on antibody expertise for **CSL**, Phylogica could potentially be of interest to deliver a similar biologics research arm for global pharmaceutical business if its partnered development programs make headway.

– Cont'd on page6

Biota – Update on Japan Flu Market

More recent information on the Japanese market for neuraminidase inhibitors is now available. According to **GlaxoSmithKline**, Relenza sales in Japan in calendar year 2009 were GBP 191 million (US$300 million) which appears to be driven by retail sales alone.

In calendar year 2009, **Roche** generated sales of CHF$3.2 billion for Tamiflu, of which CHF880 million were sales in Japan. That places the Japanese market for neuraminidase inhibitor drugs (Tamiflu and Relenza) at just under US$1.2 billion in 2009 (based on a exchange rate parity between CHF and USD).

Roche generated sales of Tamiflu of CHF$710 million globally in the first six months of 2010, which included some stockpiling sales. Global Tamiflu sales are expected to drop off to around CHF300 million in the second half of this calendar year

In the first half of 2009 calendar year, Roche generated sales of Tamiflu in Japan of CHF300 million. Our calculations indicate sales of Tamiflu in the first six months of this year have fallen to CHF140 million. That places the market for Tamiflu in Japan post pandemic of CHF280 million (or US$280 million) although it is unclear whether there have been any stockpiling sales in Japan this year.

This indicates there will be a 70% fall in Tamiflu sales in Japan this year to US$280 million. Applying the same percentage reduction in Relenza sales in Japan indicates sales this year of around $95 million. In total, that places the market for neuraminidase inhibitor drugs for 2010 in Japan at an estimated US$375 million. Japan is a large market for flu drugs because of the preference of drugs over vaccines in that country.

We expect Biota's partner **Daicchi Sankyo** will start to market the third neuraminidase inhibitor drug, Inavir, into Japan in the coming flu season. Inavir is a once only flu treatment, compared to Relenza and Tamiflu, which need to be taken 10 times over five days. It's reasonable to suggest that Daiichi Sankyo could capture at least 30%-50% of this market. If that occurs, Biota would stand to receive around US$4.5 - US$7.5 million a year in royalties, assuming a 4% royalty entitlement. Those sales and royalties could increase significantly if another pandemic threat emerges or if Daiichi Sankyo is successful in negotiating stockpiling orders with the Japanese government.

As indicated last week, what may be of more importance in terms of securing a licensing agreement for the drug outside of Japan is looking at how quickly Inavir can take market share away from what looks like inferior products in Relenza and Tamiflu in terms of drug delivery attributes.

Bioshares recommendation: **Speculative Buy Class A**

Bioshares

Mesoblast – Merger Approved

Shareholders have overwhelmingly approved the merger between Mesoblast and Angioblast Systems. The merger has taken four months to complete since the deal was announced in May although has likely been a major distraction for the companies for the most part of the year.

The agreement to proceed with the merger will now allow the company to integrate the businesses and move ahead without distraction with its clinical programs. Its first commercial product will be pitched as an autologous treatment for elite athletes.

The leading allogeneic product is set to move into Phase III trials to expand cells used in bone marrow transplantation, which is potentially at US$1.5 billion market, two thirds of which is untapped. Mesoblast believes it can take this product to market on its own.

Other later stage applications such as heart disease and orthopedic applications can be out-licensed to pharmaceutical and medtech companies respectively, presumably once later stage clinical studies have been completed.

Mesoblast is now capitalized at $635 million. Its large capitalization and interest from international funds positions the company well to fund the later stage commercialization of its product opportunities.

Bioshares recommendation: **Speculative Hold Class A**

Bioshares

New Study Reports Benefits of Arixtra in Superficial Vein Thrombosis

GlaxoSmithKline markets Arixtra, an anti-coagulant drug also known by its generic name of fondaparinux sodium. The drug last market exclusivity in the US in 2006 and European data exclusivity will expire in 2012.

Arixtra is modelled on a sequence of the large molecular weight heparin molecule, which has been used as an anti-coagulant for many years. Arixtra fall in a sub-class of anti-coagulants known as Factor Xa inhibitors.

Brisbane-based Alchemia (ACL: $0.46) has developed and patented a method of manufacturing fondaparinux and has partnered with Indian company **Dr Reddy's** to both manufacture fondaparinux and to also sell the drug in the US.

Alchemia/Dr Reddy's have filed an Abbreviated new Drug Application with the FDA, seeking authorization to sell fondaparinux. We believe the approval is imminent (See *Bioshares* 376).

Recent Sales Growth of Arixtra

Arixtra has only penetrated a small section of the global anti-thrombotics market, which was estimated to be worth US$6.2 billion in 2008. In that year, sales of Arixtra totalled $US315 million. The market is dominated by sales of low molecular weight heparins, mainly enoxaparin (Lovenox - Sanofi Aventis), accounting for US$4.5 billion in sales. (In July this year, the FDA approved Novartis' generic Lovenox.)

GSK reported sales of Arixtra for the half year ending June 30, 2010 of US$228 million, up 28% from the previous corresponding period. On an annualised basis, sales are approaching $500 million. What is worth noting is that US sales, where Arixtra is approved for fewer indications, were $130 million for the half year, versus $81 million in Europe.

According to Leerink Swan (see *NRDD* May 2009), anti-thrombotics used in the surgical setting account for 11% of total anti-thrombotic sales in the US. Assuming the US represents 50% of global sales of US$6.2 billion, i.e. US$3.1 billion, then the surgical setting sub-market possibly was worth US$340 million in 2008. On 2008 figures of $163 million for sales of Arixtra by GSK (assuming all US sales went into the surgical setting), this suggests that GSK may have been reasonably successful in accessing surgical indications for Arixtra in the US.

The CALISTO Study

In the most recent issue of the *New England Journal of Medicine* (Sept 23, 2010), results from the CALISTO study were reported for a potential new indication for fondaparinux. This study evaluated fondaparinux for the treatment of superficial -vein thrombosis in the legs.

The randomised trial involved dosing 2.5 mg per day of fondaparinux once a day for 45 days and followed to day 77, or for patients to receive sodium chloride. The goal was the reduction in symptomatic venous thromboembolic complication from any cause in patients with acute, isolated superficial-vein thrombosis in the legs.

Arixtra - Approved Uses in Europe

In Europe, Arixtra is approved for the treatment of acute Deep Vein Thrombosis (DVT) and the treatment of acute Pulmonary Embolism (in 5 mg, 7.5 mg and 10 mg doses, depending on the weight of the patient) administered subcutaneously.

In 1.5 mg and 2.5 mg doses it is approved for the prevention of Venous Thrombo-embolic events (VTE) in (1) patients undergoing major orthopedic surgery of the lower limbs such as hip fracture, major knee surgery or hip replacement surgery, (2) patients undergoing abdominal surgery with a high risk of forming blood clots; and (3) highly immobilized patients at risk of forming blood clots.

In a 2.5 mg doses Arixtra is approved for the treatment of unstable angina or non-ST segment elevation myocardial infarction (UA/NSTEMI) in patients for who do not need urgent surgery.

In a 2.5 mg doses Arixtra is approved for the treatment of ST segment elevation myocardial infarction (STEMI) in patients who are managed with thrombolytics or who initially are to receive no other form of reperfusion therapy.

Arixtra Approved Uses in the US

In the US, Arixtra is approved for the prevention of deep vein thrombosis (DVT) in patients undergoing hip fracture surgery, hip replacement surgery, knee replacement surgery, or abdominal surgery.

It is also approved as a treatment of DVT or acute pulmonary embolism (PE) when administered in conjunction with warfarin.

The fondaparinux arm reported on 1502 subjects and the placebo arm on 1500 subjects.

The study used a composite score as an endpoint, incorporating death, pulmonary embolism, deep vein thrombosis and extension of the superficial vein thrombosis to the saphenofemoral junction. At day 47, 0.9% of patients who received fondaparinux were reported for experiencing composite outcome events, versus 5.9% for placebo. At day 77, these corresponding figures were 1.2% (fondaparinux) and 6.3% (placebo).

The study was initiated on the grounds that there is a 3.3% three month risk of developing a DVT or PE, where a superficial -vein thrombosis is observed.

The study is consistent with a common strategy of pharmaceutical firms to seek additional indications for drugs that have reached the market. Clinical studies are conducted in support of these potential indications.

Other studies of fondaparinux underway or recently completed include a 450 patient study in renal impairment patients undergoing major orthopeadic surgery, a 300 patient DVT prevention study in patients with renal insufficiency, the FUTURA/OASIS 8 study

– Cont'd over

– Alchemia cont'd

(3235 patients) which is evaluating ultra-fractionated heparin together with fondaparinux when administered to patients needing revascularisation associated with acute coronary syndromes (e.g. heart attacks), and a Phase II (350 patients) trial in patients with a heart rhythm disturbance who undergo restoration of normal heart rhythm

Emerging Competition

There are several competitive issues ahead for Alchemia and Dr Reddy's stemming from the emergence of next generation Factor Xa inhibitors that have a potential advantage from oral administration, as opposed to injection required for fondaparinux (which is an injectable Factor Xa inhibitor). It is possible that orally dosed Factor Xa inhibitors will deal a competitive blow to warfarin, a long-standing oral anti-coagulant, however, warfarin may continue to be used widely due to its low cost. The oral Factor Xa inhibitor drugs are also likely to take market share away from enoxaparin (Lovenox) and fondaparinux (Arixtra).

These emerging Factor Xa inhibitors include rivaroxaban (Xarelto) being developed by **Johnson & Johnson** and **Bayer**, apixiban (**Pfizer/BMS**), betrixaban (**Portola Pharmaceuticals/Merck)**, edoxaban (**Daiicho Sankyo**), otomixaban (**Sanofi Aventis**).

Rivaroxaban has been submitted for approval with the FDA for the prevention of DVTs following knee or hip surgery, but an approval is pending. It is approved in Canada and Europe. Johnson & Johnson expects to enrol 65,000 patients in a range of clinical studies of rivaroxaban. The company's EINSTEIN trial program (treatment and prevention of acute symptomatic recurring VTE or DVT or PE) is enrolling 9,000 patients.

Daiichi Sankyo filed edoxaban for approval with the Japanese Ministry of Health in April, 2010 for DVT prevention following major orthopaedic surgery.

– Cont'd over

Comparison of Selected Factor Xa Inhibitors and Enoxaparin (LMWH) in the Surgical Setting

Agent	Pts	Dose	Route	DVTs (%)	Major bleeding	Pulm. Embolism
KNEE						
STARS E-3 Study						
- preventing venous thromboembolic (VTE) events in patients following total knee replacement						
Edoxaban	299	30 mg	oral	7.4%	1.1%	None
Enoxaparin	295	20 mg - twice daily	sc	13.9%	0.3%	None
Total	594					
KNEE						
Fondaparinux versus Enoxaparin						
- preventing venous thromboembolic (VTE) events in patients following major knee surgery						
Fondaparinux	361	2.5 mg once daily	sc	12.5%		0.6%
Enoxaparin	363	30 mg - twice daily	sc	27.8%		0.8%
Total	724					
KNEE						
RECORD-3 Study						
- preventing venous thromboembolic (VTE) events in patients following knee arthroplasty						
Rivaroxaban	824	10 mg - once daily	oral	9.6%	0.6%	0.0%
Enoxaparin	878	40 mg - once daily	sc	18.9%	0.5%	2.0%
Total	1702					
KNEE						
ADVANCE-2 Study						
- preventing thromboprophylaxis after knee replacement						
Apixaban	1528	2.5 mg twice daily	oral	15.0%	4.0%	
Enoxaparin	1529	40 mg - once daily	sc	24.0%	5.0%	
Total	3057					
HIP						
The Advance-3 Trial						
- preventing venous thromboembolic (VTE) events in patients following hip surgery						
Apixaban	1949	2.5 mg - twice daily	oral	1.4%		0.45%
Enoxaparin	1917	40 mg - once daily	sc	3.9%		1.4%
Total	3866					

Bioshares Model Portfolio (24 Sept 2010)

Company	Price (current)	Price added to portfolio	Date added
Phylogica	$0.053	$0.053	September 2010
Sunshine Heart	$0.026	$0.036	June 2010
Biota Holdings	$0.95	$1.09	May 2010
Tissue Therapies	$0.23	$0.21	January 2010
QRxPharma	$0.99	$0.25	December 2008
Hexima	$0.27	$0.60	October 2008
Atcor Medical	$0.12	$0.10	October 2008
Impedimed	$0.78	$0.70	August 2008
Mesoblast	$2.70	$1.25	August 2008
Circadian Technologies	$0.57	$1.03	February 2008
Patrys	$0.08	$0.50	December 2007
Bionomics	$0.28	$0.42	December 2007
Cogstate	$0.26	$0.13	November 2007
Sirtex Medical	$4.82	$3.90	October 2007
Clinuvel Pharmaceuticals	$0.22	$0.66	September 2007
Starpharma Holdings	$0.56	$0.37	August 2007
Pharmaxis	$2.06	$3.15	August 2007
Universal Biosensors	$1.45	$1.23	June 2007
Acrux	$2.19	$0.83	November 2004
Alchemia	$0.48	$0.67	May 2004

Portfolio Changes – 24 September

IN:
Phylogica has been added at 5.3 cents (See article on page 1)

OUT:
No changes.

– Phylogica cont'd from page 2

The interest in peptide drugs is increasing with 45 products on the market that generate around US$4 billion a year in revenue (excluding insulin). There are at least 132 peptide drug candidates in clinical development around the world and at least 334 in preclinical development. Roche also has interest in the peptide space from its moderately successful HIV drug, Fuzeon.

Perhaps working in Phylogica's favour is the lack of global funding to back novel chemistry and biology companies like Phylogica. The global financial crisis has severely constrained the level of speculative money to back emerging library discovery companies. Five years ago there was an almost constant flow of new approaches to drug discovery that were receiving strong funding support – in the order of US$50-70 million – from venture capital groups. That VC funding has now dropped off substantially with a huge reduction in investment into VCs occurring and with many VC's first priority to support existing investments.

The outcome for Phylogica is that there are less competitors and its competitors are not as well financed as they were five years ago. It's now become more of a sellers market and Phylogica is having fewer problems getting in the door of its major pharmaceutical customers. According to CEO Paul Watt "People are not questioning the technology any more".

Bioshares recommendation: **Speculative Buy Class B**

(Phylogica has been added to the Bioshares Model Portfolio at 5.3 cents.)

Bioshares

– Alchemia cont'd from previous page

Daiichi Sankyo recently announced plans to conduct studies of edoxaban for the prevention of stroke in atrial fibrillation and the for the treatment of venous thromboembolism, enrolling 28,000 patients.

While it is too early to select the best of fondaparinux and the oral Factor Xa inhibitors, it appears that fondaparinux and edoxaban, apixaban, and rivaroxaban offer roughly a 50% improvement in preventing DVTs following knee surgery over enoxaparin (Lovenox).

Until head-to-head trials are conducted, comparing for example, fondaparinux with rivaroxaban, actual superiority will not be known. In the mean time, factors of cost and convenience will more likely determine commercial success.

Summary

As an ANDA approval for Alchemia /Dr Reddy's generic fondaparinux edges closer, the time available for investors to buy the stock at current prices will decrease, with a re-rating of the stock post approval a strong and logical possibility.

Alchemia is capitalised at $88 million and retained cash of $17 million at June 30, 2010.

Bioshares recommendation: **Speculative Buy Class B**

Bioshares

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, BioMD, Tissue Therapies, Viralytics, Phosphagenics

Subscription Rates (inc. GST)

48 issues per year (electronic distribution): **$350**

For multiple email distributions within the same business cost centre, our pricing structure is as follows:	$550	2-3 email addresses
	$750	4-5 email addresses
	$950	6-10 email addresses

To subscribe, post/fax this subscription form to:

Bioshares
PO Box 193 Richmond VIC 3121
Fax: +61 3 9671 3633

I enclose a cheque for **$** made payable to **Blake Industry & Market Analysis Pty Ltd**, or

Please charge my credit card **$** MasterCard ☐ Visa ☐

Card Number ☐☐☐☐ ☐☐☐☐ ☐☐☐☐ ☐☐☐☐

Signature _____ Expiry date _____

Subscriber details

Name _____

Organisation _____

Ph ( ) _____

Emails _____

_____

_____