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In this edition...
Broadvector will be the second biotech company this year and the second in two years to brave the IPO market. The company is seeking to raise up to $8.5 million for two gene-directed therapy programs it is looking to progress in the clinic, one for the treatment of early stage prostate cancer and the second in treating loosening of prosthetic hips. It's debut will be very closely monitored in the sector.

We also update readers on Biota Holdings, which has seen its second flu drug reach the market (in Japan), on Cellestis which is on track for continued strong growth, and at Tissue Therapies, which is edging closer to market.

The Editors
Companies Covered: BTA, CST, TIS, Broadvector IPO Profile

	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)	-5.2%
Cumulative Gain	**174%**
Av Annual Gain (9 yrs)	**18.5%**

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Bioshares

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

Broadvector IPO Profile

Broadvector is a therapeutic product development company based in Melbourne, which was originally incorporated as **Elm Biotech** on 13 November 2007. It entered in to a share acquisition agreement to acquire all the issued capital of **Biotech Equity Partners** (BEP) on 28 September 2009. BEP was formed in March 2005.

Broadvector is seeking to raise a minimum of $5 million and a maximum of $8.5 million, issuing (at 20 cents) a minimum of 25 million shares or a maximum of 42.5 million. Under the offer, one 25 cent option will be granted (expiring June 30, 2013) for every four shares issued through the IPO.

The company completed a pre-IPO capital raising, with $0.8 million being received.

On completion of the offer, the indicative capitalisation of Broadvector will be $19.5 million if the maximum funds are raised, or if the minimum is raised, the indicative capitalization will be $16 million.

Application of Funds

Broadvector will apply the funds it raises under the IPO to initiate a Phase I prostate cancer trial ($2.3 million), gain assignment of IP for the Aseptic Loosening application of GDEP technology ($0.4 million) and address working capital requirements for 18 months ($2.3 million).

If maximum funds are raised the company expects to fund the manufacture of material for a Phase IIa Aseptic Loosening trial and commence that trial ($2.7 million) and address working capital requirements for 24 months.

Gene Directed Enzyme Pro-drug Technologies

Broadvector has brought together two Gene Directed Enzyme Pro-drug Technologies (GDEPT). In essence, a vector (typically a virus that is modified to make it harmless) is engineered to contain a 'cassette' which contains the gene or genes required for the therapeutic intervention.

While the approach is classified as gene therapy, unlike gene therapies that seek to permanently replace defective genes, this form of gene therapy is transient, with for example, the Ovine Atadenavirus (OAdV) vector that carry the genes used to trigger a therapeutic effect not thought to replicate in human cells or become part of the human genome or interact with human adenoviruses.

– Cont'd over

Most Recent Biotech IPOs

Company	Code	Funds Raised	Issue Price	CMP	Gain/loss	First Traded
Austofix	AYX	$3.0	$1.50	$0.95	-37%	27/02/2008
Genera Biosystems	GBI	$5.0	$0.50	$0.48	-4%	11/06/2008
Fluorotechnics	FLS	$8.0	$1.00	$0.09	-92%	30/10/2008
Cbio	CBZ	$7.1	$1.00	$0.22	-78%	15/02/2010

The vector is injected into the site of interest after which the gene expresses a protein (an enzyme) that acts on a chemical (termed a pro-drug) also administered by injection to the site. The enzyme converts the pro-drug into an active form which then acts to destroy cells of diseased tissue.

The technology addresses the problems of dosing and specificity in a novel way, overcoming the problem of systemic dosing of a high order (and concomitant side effects).

Early Stage/Localised Prostate Cancer Therapy

Broadvector is a developing a treatment for localised or early stage prostate cancer, which is different to advanced prostate cancer in which the cancer has spread to other parts of the body. Advanced prostate cancer is usually treated by hormone therapy. Recently, **Dendreon's** Provenge was approved for the treatment of late stage hormone refactory prostate cancer.

The issue with prostate cancer therapy derives from the problems of incontinence and impotence that are caused by current treatment approaches for early stage, localised prostate cancer. Current treatments include surgery to remove the prostate, radiation therapy and brachytherapy. Although these approaches are reasonably effective, the side effects are debilitating.

Broadvector's prostate cancer therapy uses the Ovine Atadenavirus (OAdV) as a vector. A gene cassette engineered into the vector contains two genes that express proteins that make the prostate tissue more amenable to treatment (PSME and Pb430), the gene (PNP) that expresses an enzyme that activates the pro-drug fludarabine, and a final gene (BGH) that terminates the expression of proteins from the gene cassette (an off switch).

The active form of fludarabine is 2-flouroadenine. In interferes with DNA and RNA in tumour cells to cause cell death.

According to Broadvector, more than half a million men a year develop prostate cancer in Western countries. In the US, prostate cancer represents 33% of all cancers diagnosed in males, with roughly three-quarters diagnosed at an early stage as a result of screening programs.

Broadvector is set to commence a Phase I trial at **St Vincent's Hospital** in Sydney, recruiting between 18-21 patients.

Capital Structure - Broadvector

	Shares (M)		as % of Sub-total/Total		
Existing shareholders of BEP*	17.86		36%	22%	18%
Unsecured convertible note holders in ACN 123 727 720 Pty Ltd	11.25		23%	14%	12%
CSIRO	14.61		29%	18%	15%
Creditors of BEP	6.28		13%	8%	6%
Sub-total	50.00		100%		
Pre-IPO Capital Raising	5.08			6%	5%
New Shareholders (Min Sub.)	25.00			31%	
New Shareholders (Max Sub.)		42.5			44%
Total	80.08	97.58		100%	100%
Shareholdings re-stated for Director Interests					
including Pharmabank Unit Trust (assoc. with Wayne Millen)	17.60			22%	18%
including CEO Andrew Bray	1.30			1.6%	1.3%
Total	80.08	97.58		100%	100%
	Options (M)				
Pre-IPO Options ($0.25 exp 30-6-13)	1.27				
Unsecured convertible note holders in ACN 123 727 720 Pty Ltd	2.18				
IPO Options ($0.25 exp 30-6-13)					
New Shareholders (Min Sub.)	6.25				
New Shareholders (Max Sub.)		10.63			
Listed Broker Options - up to - ($0.25 exp 30-6-13)	10.00				
Pharmabank Options ($0.25)	9.00				
Management/Staff Options	1.50				
Total	30.20	34.58			
Shares - fully diluted		132.16			

**Biotech Equity Partners*

Asceptic Loosening Therapy

Asceptic Loosening (AL) is a condition that follows after the implantation of prosthetic hip joints. Loosening occurs because metal and other polymer particles degrade from the hip components and stimulate inflammation which causes the bone to degrade into soft tissue. Overtime, the bone becomes loose and the 'fix' of the implant ceases to function properly. Secondary or revision hip surgery is an expensive and time consuming option that has reduced rates of success.

Broadvector's AL therapy uses the CTL102 vector, delivered by injection, to deliver the nitroreductase enzyme to the inflamed, soft-tissue, site. A small molecule pro-drug, CB1954 is also administered to the site, whereupon, the enzyme converts CB1954 into its active form and the soft tissue is destroyed, then evacuated or flushed out from around the bone and filled with a bone cement. This avoids customary expensive and risky revision surgery.

To date, 12 patients at the **University of Leiden Medical Centre** have been treated in a Phase I trial with this approach. The study showed that CTL102-GDEPT demonstrated a good safety profile, that subsequent injections of orthopedic cement could be performed successfully, and that higher dose recipients of the vector, in conjunction with a lower dose of CB1954, became more mobile.

The AL market opportunity is attractive because more than 1 million hip implants are performed

– Cont'd on page 5

Biota Holdings – Inavir Receives Approval in Japan

Biota's (BTA: 93.5 cents) partner, **Daiichi Sankyo,** has received marketing approval of Inavir, a long acting neuraminidase inhibitor. Biota will receive a royalty from sales of Inavir, which we estimate will be a single digit royalty (revised estimate of 4%). The drug will compete directly against Relenza and Tamiflu. It has a significant product advantage in that it only needs to be taken once, compared to 10 times (twice daily for five days) with Relenza or Tamiflu.

The market for neuramindase drugs in Japan we estimate at US$100 million a year although this did spike to US$250 million during the recent influenza pandemic.

The royalty flow from Japanese sales we expect will be small. However, the bigger impact of the Japanese launch for the forthcoming Japanese flu season will be to see how the drug competes with the incumbent products and how the drug is received by consumers and healthcare practitioners. If the drug can make quick inroads into the neuraminidase market in Japan, then the prospects of a global licensing deal for this drug outside of Japan should improve.

A once-only flu treatment in our view should have a tremendous appeal over competing products that need to be taken 10 times. Remembering that the Tamiflu product seized the lion's share of this market over Relenza because a tablet was preferred over an inhaled product, Inavir potentially offers a far greater appeal over Tamiflu and certainly over Relenza. The challenge is to educate the market that has become familiar with existing products.

In 2009 Daiichi Sankyo completed a Phase III study with Inavir in 1,000 people who had acquired flu infection naturally. Two different doses of Inavir, delivered just once, both showed to be as effective in treating the flu as Tamiflu delivered twice daily over five days. A similar Phase II/III trial was also completed in 180 children confirming the same results. This second trial also showed a trend to faster alleviation of flu symptoms than Tamiflu. In laboratory trials Inavir has also shown to be effective against the recent swine flu strain.

Excluding the stockpiling market for these drugs, the seasonal market is estimated to be worth around US$750 million a year. Biota and Daiichi Sankyo equally share the rights outside of Japan. To bring the drug to market outside of Japan, further Phase III studies, in Europe and the US, would be required. A royalty rate of at least 15% we estimate could be negotiated, which would deliver Biota a royalty of at least 7.5% for the major markets.

Biota is currently in licensing discussions for the rest of the world product rights to Inavir. We don't expect a deal to be secured until at least the end of the forthcoming northern hemisphere flu season, at which point the potential of Inavir against the incumbent Relenza and Tamiflu drugs will be better known.

Near-term Drivers

Biota Holdings has three clear drivers over the next six to nine months. These are: Relenza sales for in the forthcoming northern hemisphere winter; enrolment progress in the company's Phase IIb trial and trial results (full recruitment by March will be a very good achievement for the company); and the market penetration of Inavir in Japan into the Relenza and Tamiflu market. The final point could be the leading driver for the stock over this period.

Biota is capitalised at $168 million and held cash assets of just under $105 million at June 30. Its current price presents appealing entry levels to this stock.

Bioshares recommendation: **Speculative Buy Class A**

Cellestis Investor Briefing

In financial year 2010, Cellestis (CST: $2.46) delivered a net profit of $8.2 million. The result was flat compared to the previous year's net profit after tax. However the better gauge of bottom line performance is derived from the profit before tax, which increased by 26%. (Net profit after tax includes foreign exchange gains and losses and the tax rate increased in the last year to 19.3% from 15.9%.) However this change does not take into account movements in foreign exchange rates.

Revenue in Australian currency increased by 17%, although the better gauge in top line performance is sales as measured by local currency, which increased by 34%. Revenue for FY2010 was $40.3 million.

Without providing firm forecasts, Cellestis CEO Tony Radford believes that sales growth moving forward of at least 35% is a reasonable expectation for the company.

Cellestis is in a strong position moving forward. If it can sustain sales growth in excess of 35%, then net profit should show very strong growth, with more flow through to the bottom line. In the last financial year, even with adverse currency movements – the AUD moved from an average 73.5 cents against the USD in FY 2009 to 88.0 cents in FY2010 – the company's EBT margin (earnings before tax) increased from 23.5% in FY2009 to 25.3% in FY2010.

M&A

At an investor briefing last month, CEO Tony Radford indicated that the M&A prospects arising from the global financial crisis impact had come and gone and that the company would spend more on internal R&D in the future.

The company will maintain a strong cash position ($22.5 million at June 30) and this allows the company to acquire new assets as required. Cellestis receives regular approaches to acquire to businesses or assets.

– Cont'd over

Cellestis Test Incorporated in New US CDC guidelines

In June this year the US Centers for Disease Control and Prevention (CDC) introduced new guidelines for the diagnosis of tuberculosis. Specifically the new guidelines cover the use of Interferon Gamma Release Assays (IGRAs) of which the Cellestis Quantiferon tests are the clear market leader.

The CDC now recommends that IGRA tests be used over the 100 plus year old TST (tuberculin skin test) for people who have received the BCG vaccine and for groups that have low rates in returning for a second test, which is the requirement for the TST. The guidelines also recommend the IGRAs as alternatives to the incumbent TST.

Radford indicated that the financial year just past was yet to be impacted by the introduction of the new CDC guidelines. The US is the company's best market according to Radford with 49% growth in sales. One area where the company will focus on is international students studying in the US. There are around 600,000 foreign students in the US largely from India and China which is a big market potential. Radford said his US staff are confident they can maintain the growth seen in the US over the last three years.

The Cellestis Quantiferon test is an appealing diagnostic test as there are not many tests out there that are expanding markets. There are maybe only 10 diagnostic tests in the US that sell more than Quantiferon according to Radford.

Sales of the Quantiferon tests have yet to hit the tipping point but they have also yet to show any signs of reaching a plateau according to Radford. The threat in the future is from molecular diagnostic tests although this is likely to be 10-15 years away.

Heathcare Reform Impact

Healthcare reform will have a number of impacts on the Cellestis business. On the positive side there is an emphasis on preventative health and more immigrant testing. On the downside there will be a 2% tax introduced on all medical diagnostics from 2013.

Margins

Margins for Cellestis should continue to increase. Cellestis is adding more to in-house sales and marketing but the increase in sales should outstrip the increase in these costs.

Foreign exchange movements are expected to have less of an impact on financial results in the current financial year. We expect this should allow margins to continue to increase.

Recommendation

Cellestis is capitalised at $236 million. It is currently trading on a price-earnings ratio of 33 (applying a 30% overall tax rate). The company has $22.5 million in cash and will pay a 3.5 cent per share final dividend (it paid a 1.5 cent per share interim dividend). This translates to a current dividend yield of 2%. *Bioshares* places a **Hold** recommendation on this stock. Look for dips in the share price to acquire.

Bioshares

Tissue Therapies Update

Tissue Therapies (TIS: $0.23) is edging its way closer to bringing its wound healing technology, VitroGro, to market.

The company has received more data from its Australian trial. A total of 27 patients were treated in Perth for their venous ulcer wounds that had not responded to standard treatment for an average period of 10 months. Within only 24 days, five patients had their wounds completely healed and the average ulcer wound area was reduced by 41% over this time. This is a strong result for a group of patients whose chronic wounds were not responding to traditional compression dressing therapy.

With the technology having clear utility as a wound healing therapy, the challenge for the company is to complete the final stages of product development to bring its product to market.

Trial Approval Pending

The company is waiting on regulatory approval from the MHRA (Medicines and Health products Regulatory Agency) in the UK to commence trials. The MHRA recently changed its submission guidelines requiring Tissue Therapies to lodge a complete data pack, which has now been done. While this has delayed the start to the UK trial, the benefit is that the data pack submitted includes much of the product information that would be required when submitting the product for approval following the forthcoming clinical trial.

Tissue Therapies has increased the number of clinical trial sites from three to five. The company is seeking to enroll 40 patients into the trial, each with venous ulcer wounds. The patients will be monitored for 12 weeks following treatment.

The company will seek to submit the product for approval by March next year. Once approved in Europe, the company should be able to sell the product also into Australia and Canada under mutual recognition agreement, and into Asia.

We expect VitroGro will be sold into hospitals and also in retail settings through pharmacies. It is expected that an end user price of between US$20-US$30 will be charged for the product.

Licensing

Tissue Therapies is currently in discussions with a number of potential licensors of the technology. The first choice would be to sign a lucrative, worldwide, exclusive licensing agreement. If it can't negotiate a sufficiently attractive global deal, then an alternative option is for several regional distributor based deals.

Tissue Therapies has developed what appears to be a highly effective wound healing therapy. Of the 37 patients treated to date, only two patients have seen their wounds deteriorate, one by only 2%, with an average 41% wound healing in only 24 days of

– *Cont'd on page 6*

– *Broadvector cont'd from page 2*

each year, but according to Broadvector, up to 10% of hip implants develop Aseptic Loosening. Broadvector also sees that an Orphan Drug designation for the therapy, in treating patients in chronic pain who are highly immobilized, as a potential commercial starting point.

Conditional Agreement/s

Broadvector (through BEP) obtained various licenses to patents relating to recombinant ovine atadenovirus vectors (OAdV) and other formulation and regulatory patents from the **CSIRO** in September 2006.

Under the agreement, the licenses would expire on December 31, 2010, unless BEP exercised an option to maintain the license through the acquisition by, and listing of, another company, which in this case is Broadvector (or initiating a second Phase I trial or Phase II trial).

The CSIRO was entitled to half of the proceeds of the transfer of assets into an acquisition vehicle, and in lieu of cash, the CSIRO received 14.6 million shares in Broadvector.

Broadvector also has an option agreement (until 31-10-2010) with **Innovata** (one of the licensors of the technologies) for it to assign Broadvector various patents, know-how and materials. To effect the option, Broadvector must pay an option exercise fee, which we estimate is $400,000.

Board

The board of Broadvector comprises Dr Wayne Millen (Chair), Dr Andrew Bray (CEO), Roland Toder and Iain Kirkwood. Wayne Millen founded **Epitan** (now Clinuvel Pharmaceuticals) which listed on the ASX in early 2001. Andrew Bray is a chemist (inorganic, medicinal, peptide) who has worked previously at **CSL**, **Chiron** and **Mimotopes**. Iain Kirkwood is currently a board member of **Vision Group Holdings**, **Avexa** and **Medical Developments International**. Roland Toder is a former CSO of **Genescan Europe AG** and CEO of **Vivendy Therapeutics Ltd**.

Observations

Any biotech company seeking to raise funds on a public market must structure itself as a coherent and viable investment proposition. For Broadvector, the combination of two very similar technologies under the one corporate umbrella mitigates the company against greater risk of a single technology developed for a single product opportunity.

Elements of the GDEPT technology being commercialised for treating prostate cancer date back to the early-to-mid 1990s with research conducted at the CSIRO and at one stage partnered to **FH Faulding**. The oldest patent relating to the technology is numbered PCT/AU95/00453, and it describes the use of an ovine adenovirus as a viral vector. The patent is granted in major jurisdictions but expires in 2015.

The products are also protected by enhancements that extend protection to later dates. For example, the prostate cancer therapy is covered by six families of patents, including a formulation patent, which would expire in 2023.

To put itself in a position of coherence, Broadvector has expended substantial effort to obtain the appropriate licenses to give it freedom to operate and therefore aim to maximize the commercial opportunity from the patents it has licensed or will be assigned.

Partnering Risk

It is an intention of Broadvector to out-license its products once they have successfully completed certain clinical trials. An issue that may arise for Broadvector is the extent to which a royalty stack has been built up around a particular product. Royalties specific to the various technologies licensed by Broadvector have not been made public. The possibility exists that a royalty awarded to Broadvector on licensing a product to a licensee could nett out the royalty payment obligations to primary licensors.

With the prostate cancer therapeutic product, Broadvector has licensed technology from **Research Corporation Technologies** (for the right to use the bovine growth hormone gene polyadenylation signal), from the **University of Manitoba** (for the right to use the probasin gene) and from **PNP Therapeutics** (for the right to use a gene sequence that codes for a non-human purine nucleoside phosphorylase protein and vector).

With respect to the Aseptic Loosening product Broadvector has licensed technology from **Crucell BV** (for access to its PERC.6 cell line for manufacturing), **Cancer Research Technology** (for use of a vector that codes for nitroreductase, capable of converting a prodrug into a cytotoxic drug), and from **Innovata** and the **University of Leiden** (for patents jointly held, and separately for access to master cell bank and viral seed stock and certain know-how).

One strategy used by many biotechs to address the limitations of royalty stacks, as perceived, or actual, is to convert the royalty obligation to equity in the firm commercializing the technology.

Gene Technology Risk

Products from gene technologies have yet to be proven as commercially viable on a wide scale in Western economies. Although a number of jurisdictions have developed comprehensive gene technology regulatory pathways, the lack of clinical and commercial success continues to attach to the technology class a higher risk profile compared to other commercially proven classes of therapeutic technologies.

The tendency of therapeutic product regulators to seek long-term safety data is a factor investors should keep in mind in respect of any emerging class of therapeutic interventions, even including transient gene therapy products.

– *Cont'd over*

Bioshares Model Portfolio (17 Sept 2010)

Company	Price (current)	Price added to portfolio	Date added
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	$1.05	$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	$2.45	$1.25	August 2008
Circadian Technologies	$0.53	$1.03	February 2008
Patrys	$0.08	$0.50	December 2007
Bionomics	$0.27	$0.42	December 2007
Cogstate	$0.25	$0.13	November 2007
Sirtex Medical	$4.80	$3.90	October 2007
Clinuvel Pharmaceuticals	$0.22	$0.66	September 2007
Starpharma Holdings	$0.55	$0.37	August 2007
Pharmaxis	$2.01	$3.15	August 2007
Universal Biosensors	$1.53	$1.23	June 2007
Acrux	$2.20	$0.83	November 2004
Alchemia	$0.48	$0.67	May 2004

Portfolio Changes – 17 September

IN:
No changes.

OUT:
Nochanges.

– Tissue Therapies cont'd from page 4

previously non-responding wounds.

The treatment consists of a number of growth factors and binding and activation proteins that are normally present in the skin and encourage wound healing. Tissue Therapies has now produced the active regions of these compounds in the one protein recombinantly, which CEO Steven Mercer says is identical to the previous product used in the results achieved to date. The forthcoming trial will be the first to trial product from this new manufacturing process.

Competitive Tension

The company now needs to create sufficient competitive tension to secure a lucrative licensing deal for its technology. Product development has been delayed by about two years due to third party manufacturing problems and regulatory delays.

The company has sufficient cash to mid-2012, however, risks remain that final product development may be delayed and further extend commercialization costs. If the company can get it right, then there should be considerable upside in this stock over the next six to 12 months. The company has recently hired a consultant to assist with licensing negotiations.

Tissue Therapies is capitalised at $32 million with $5.5 million in cash at June 30.

Bioshares recommendation: **Speculative Buy Class B**

Bioshares

– Broadvector cont'd from previous page

Milestones - 24 months

- Commence Phase I Prostate Cancer Trial
- Secure IP rights for Aseptic Loosening Technology
- Commence Orphan Drug designation for AL with EMA
- Pay various product and technology licensing and acquisition fees
- Complete manufacture of material for Phase IIa AL Trial
- Commence Phase IIa AL Trial

Summary/Conclusion

The Broadvector IPO will be a genuine test of sentiment towards biotech stocks, in a market that has seen had one IPO since 2008. **CBio** listed in February of the year raising a $7 million, after revising its minimum subscription down from $13 million (and also seeking a maximum of $30 million). Three companies listed in 2008, including **Genera Biosystems**, **Austofix** and **Fluorotechnics**. These four stocks all currently trade below their issue price.

What may be in Broadvector's favour as it seeks to IPO is that the company is listing on an indicative capitalisation range ($16-$19 million) that may be more acceptable to the market, in contrast to CBio's $76-$99 million range.

Dates

Offer Period: 13 September 2010 - 8 October 2010
Shares to commence trading: 14 October 2010

Investors are required to read the Broadvector prospectus before investing. A copy can be downloaded from http://www.broadvector.com.au/irm/content/prospectus.html

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

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