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Company Spotlight

- **AspenBio Pharma** (Castle Rock) entered into a license agreement with Novartis Animal Health (NYSE: NVS) for the world-wide rights for the development and launch of AspenBio's novel recombinant single-chain bovine products, BoviPure LH™ and BoviPure FSH™. The license agreement is generally for the term of the patents and the arrangement provides for a sharing of product development, costs and worldwide product sales. AspenBio receives an upfront cash payment and ongoing royalties based upon net direct product margins and has agreed to share in 35% of the product development and registration costs.
- We have been paying particular attention to the clinical development of **Amgen's** (Longmont) Denosumab, a monoclonal antibody that targets RANK Ligand. Now, pivotal Phase III data shows Denosumab increased bone density at multiple skeletal sites in early and later-stage postmenopausal women. Results from a 24-month, 332-patient Phase III pivotal study in women with early and late-stage postmenopausal osteoporosis was published in the Journal of Clinical Endocrinology and Metabolism. In this study, twice-yearly subcutaneous injections of Denosumab increased bone mineral density (BMD) at all sites measured. Denosumab treatment significantly increased lumbar spine BMD compared with placebo and also produced significant increases in BMD at the hip, wrist, and total body.

Financing

- We previously highlighted **Quark Pharmaceuticals** (Boulder)...another private company headquartered outside of Colorado yet with a major presence in Colorado. The company announced the close of a \$27M financing led by SBI Asset Management which may enable drug candidates in five clinical programs by 2H08. As a result of the financing clinical operations in the Boulder office is expected to ramp. It already appears as though hiring in the office is underway with more expected. Great news for Quark, for Boulder and for the continued advancement of siRNA technologies.
- **Ceragenix Pharmaceuticals** (Denver) a biopharmaceutical and medical device company focused on infectious disease and dermatology, announced that it received a \$1.5M milestone payment pursuant to its exclusive distribution and supply agreement with Dr. Reddy's Laboratories (NYSE: RDY), for the commercialization of EpiCeram®.

Square Pegs

- Discussing pre-money valuations for the first time with potential interested investors is always a loaded question. Replies to potential investors often yield numerous data points about the sophistication level of an entrepreneur.

Legislative Update

On Wednesday, the House Business and Labor Affairs Committee voted to revamp the way that income taxes are calculated for multi-state corporations. Representative Cheri Jahn, who has worked over two years on this concept, explained that an effective state

corporate income tax rate will provide incentives for the business sector to expand operations and locate headquarters in Colorado. HB-1380 creates a new method for multi-state corporate taxpayers to attribute their net income to Colorado for calculating their state income tax based on sales only, rather than a combination of payroll and property. It is a trend among states to move toward single sales factor, which is seen as a means to simplify tax policy, stimulate economic development, and attract/create jobs. Attached is a one page fact sheet on the bill.

On Friday the House considered Senate amendments to HB08-1001, and HB08-1372 was passed the House Appropriations committee and will be heard next by the House committee of the whole.

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