



Happy Thanksgiving

News And Assessment

We wish you all good health and peace of mind and that you enjoy your families. Nothing is more important than the family. We will do the same and tonight, Prohost family members will be traveling to their families, or receiving them. We will be traveling to Florida where important members of our family live and we intend to enjoy them and making sure that we are aware of the blessing each one of us has enjoyed since the last gathering. Before we leave, we would like to stress the fact that a condition for assessing biotech companies, is knowing where their roles fit in the pathway of the chain of events through which drug development is successfully accomplished.

In the next Prohost monthly report that will be posted at the end of this month, you will read about the details of that chain that starts with the **unveiling of the signaling molecules** and ends in the **development of therapeutic molecules**. You will also understand why we preferred some companies over others and why some picks have outperformed the rest of the market and other picks are expected to do the same.

For example, how do we handle news like that coming from **Peregrine Pharmaceuticals** ([PPHM-news](#))? This firm announced its wholly owned subsidiary, **Avid Bioservices**, has entered into a **manufacturing agreement** with the leading research center, **Sidney Kimmel Cancer Center** (SKCC) of San Diego. The news eluded that Avid job will be to provide **process development services** to SKCC and will perform **cGMP manufacturing of a novel therapeutic antibody** for preclinical studies and clinical trials. We learned that the selected antibody is being tested for the treatment of lung cancer.

The questions that cross our mind are: What is Avid's technology, if any? What impressed SKCC in Avid's services that made it sign the contract? How its services in the area of its expertise compare with other providers of the same services?

When we get to answer these questions, we then begin to do our due diligence, studying the firm's fundamentals to decide whether we should consider it for investment. Usually, the stock price does not influence us much with regard to our decision of further study the firm's activities and advantages. In this case, the stock price is below \$1.

Based on the news, our conclusion is to study the firm, not to buy it. Why? Because the news, although agreeable in the sense that obtaining a contract from a prestigious research center is a plus, the contents of the news were not sufficient to let us evaluate the firm based on them.

OTHER NEWS

EntreMed ([ENMD - news](#)), announced that the FDA has accepted its Investigational New Drug (IND) application for **ENMD-1198**, a tubulin binding agent for which EntreMed intends to pursue clinical development. The Company plans to enter into **Phase I oncology clinical studies with the compound in 2006**.

Comments: A good step forward. **Impact:** Positive, but only to be followed upon.

Neose Technologies ([NTEC - news](#)) received a milestone payment from Novo Nordisk under the license agreements entered into in November 2003 to use Neose's **GlycoPEGylation™** technology to develop next-generation versions of three currently-marketed therapeutic proteins. This is the **second of the three proteins Novo is developing using the Neose technology** for which a milestone payment has been received.

Comments: Encouraging news.



Curis (CRIS - news). On Monday we learned **Wyeth** decided to **extend funding** of Curis so it continues developing a treatment for **neurological disorders**. Wyeth is considering extending its research term up through Feb. 9, 2007, for Curis' Hedgehog agonists that are crucial for the formation of nerves. The company exercised the option to extend, as enabled under its agreement reached in 2004.

Curis said it expects Wyeth to decide on a drug candidate for further development, and to file paperwork with the Food and Drug Administration 12 months after that.

Comments: Good news, but about a drug discovery and development in its very early stage, which does not really capture investors' enthusiasm. However, as you know, Prohost believes that Curis' Hedgehog proprietary protein agonists and antagonists' as extremely important for regenerative medicine that will be a healthcare reality sooner than later.

Again, we wish you a

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