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Micronix launches product in US

Adelaide medical devices company Micronix has achieved a major milestone, launching its first product in the US through a leading US-based healthcare company.

The product, CorTrak™, is an application of Micronix platform technology and an aid to the placement of feeding tubes into the small bowel. CorTrak™ is being marketed and distributed by Viasys Medsystems.

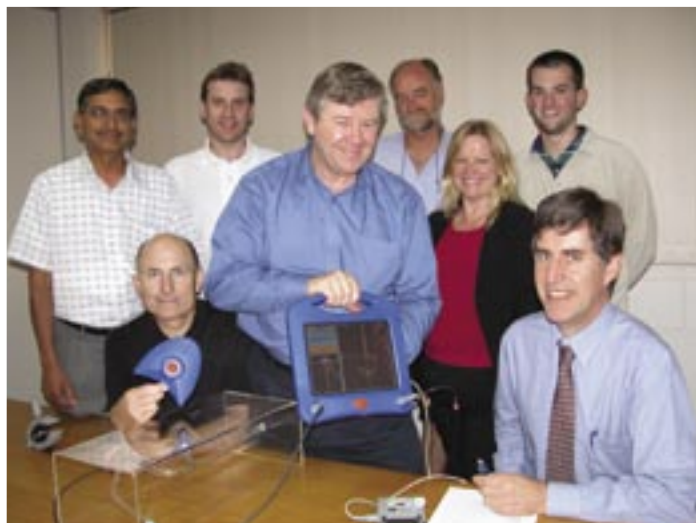
"We're certainly feeling buoyant and have a huge sense of achievement as a result of having completed this project, which has been much larger than we ever expected," said CEO Dr Stuart Brasted.

"Sales from this product will definitely help to underwrite the development of our product pipeline."

Dr Brasted said Micronix, which employs seven full-time equivalent staff, expected to manufacture and export about 150 units in its first year in the US market, and at that rate, the majority of Viasys' customers will have been converted to use of the product within three years.

He said the total feeding tube market in 2003 was worth nearly US\$1 billion and though this new application would initially tap only 10 per cent of the opportunity, Viasys expects to expand its market share by converting users of other types of feeding tubes to the practice of small bowel feeding with Viasys tubes, which is a simple, safe procedure with the aid of CorTrak™.

Dr Brasted said the product could also be used with other types of tubes in the alimentary system, such as gastric feeding and decompression tubes. "With the improvements to cost of production of the disposable part of the product, over time we should be able to penetrate large segments in the balance of the feeding tube market," said Dr Brasted.



The Micronix team L to R: Raja Padmanabhan, William Besz (sitting), Justin Poyner, Graham Wilkins with the CorTrak™ device, Don Chorley, Catherine Thistleton, Phil Schmidt and Stuart Brasted.

When health practitioners currently place a small bowel feeding tube, they must confirm correct placement using expensive and time-consuming X-ray technology.

The major advantage with CorTrak™ is that it provides a real-time schematic display on an LCD monitor of the passage of the feeding tube into a patient's body. A radio transmitter on the stylet wire fitted inside the feeding tube sends a signal to a receiver positioned on the patient. The operator can easily monitor catheter movement and reliably place a tube into the small bowel within a few minutes, instead of an hour or more. A label printer provides a hard copy printout of the placement for the patient's medical record.

The typical saving to US hospitals by exclusively using CorTrak™ for feeding tube insertion is estimated to be US\$25,000 per year, per hospital.

He said the company was also planning to expand into the paediatric feeding tube market later this year.

A second product, CathRite™ based on the same platform technology is designed to aid the placement of central venous catheters and is expected to be launched by the end of this year, or early 2006.

Central venous catheters are used for a variety of purposes including infusion or sampling of blood; administration of fluids, nutrients or drugs, such as antibiotics; and especially for chemotherapy.

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The CathRite™ device will enable correct placement of the tip of a catheter, typically into the superior vena cava, a very large vein adjacent the heart. Access is gained via the subclavian vein, the internal jugular, or a vein in the arm (peripheral insertion).

"We're going after the fastest growing niche, which is the Peripherally Inserted Cardiac Catheter (PICC) market. Even though PICCs make up only about 20 per cent or 3.5 million units per year of the central venous catheter market, this market is growing rapidly because catheter technology is pushing expansion as well as demand for safer procedures, which are enabled by PICCS," said Dr Brasted.

He said Micronix is in the process of securing an international distributor for CathRite™.

Having developed, manufactured and exported their first product, Dr Brasted said one piece of counsel he would offer companies is to not underestimate the effort to get from mature prototype through to manufacturing.

"With the benefit of hindsight, we may have outsourced more of the manufacturing development rather than doing it all in-house, but the flipside is that we have now built up product development and a manufacturing capability," he said.

Micronix has employed a contract manufacturer with the quality system necessary to assemble, test and ship the hardware devices.

Dr Brasted said he believed it was important for any Australian company planning to enter the US market to understand how companies there do business. "Being able to draw upon the wisdom and expertise of people who have had dealings with US companies is essential," he said.

"Attempting to do deals without having a US perspective of deal-making, can be fraught with traps and pitfalls. Be prepared to pay for good advice while understanding that ultimately, no consultant can or should make decisions that belong to your Board.

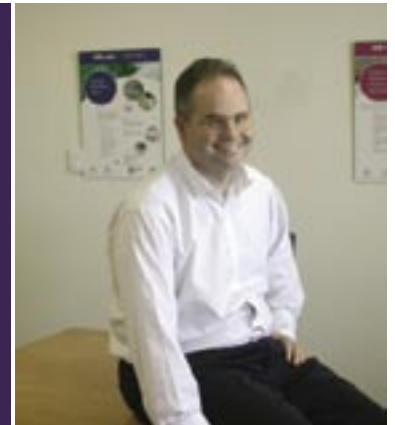
"If you have a vision of what you want to do, borrow knowledge from those who have been down that path before. Don't rely on luck."

Dr Brasted acknowledged Bio Innovation SA for its support at a critical point in the company's development by assisting Micronix to secure a Federal Biotechnology Innovation Fund (BIF) grant for concept development of CathRite™.

To contact Micronix, phone 08 8272 5444 or email sbrasted@micronix.com.au

Global investment expertise on hand

Dr Stephen Thompson, a life sciences investment expert from the UK, has recently joined Bio Innovation SA as Business Development Director.



Bio Innovation SA's new Business Development Director, Dr Stephen Thompson

Stephen has 20 years experience in the biotechnology sector in the UK as a venture capitalist, product development manager within a biotechnology company and as an academic research scientist.

"I'll be helping to identify companies with great commercial potential and assisting those companies to prepare themselves for external investment," said Stephen about his role with Bio Innovation SA.

"I believe that the technology exists here in Adelaide, there are capable people interested in commercialising it; however, a critical missing component is access to venture capital, a problem that Bio Innovation SA will try to address."

From 1997 to 2003, Stephen was a venture investor with Apax Partners (www.apax.com), a leading international private equity group with €12bn under management invested across several industries, including biotechnology. He was appointed a Director of Apax Partners in 2001. During his time with Apax Partners, Stephen was involved in a dozen biotechnology investments in Europe and the USA, some of which had successful IPOs on NASDAQ.

Between 1988 and 2004, Stephen also served as a Director of Imperial Innovations, the technology commercialisation company of the University of London's Imperial College. During this time Imperial Innovations grew significantly, spinning a number of companies out of the University as well as increasing its licensing revenue.

Prior to joining Apax Partners, he was with Cantab Pharmaceuticals (now Xenova), a prominent UK biotechnology company. In the period 1995-97, he was the Director of the cellular immunology group at Cantab. His responsibilities included managing the pre-clinical and clinical work for an HPV vaccine through to licensing of the product to SmithKline Beecham, following successful Phase IIa clinical trials.

Earlier, Stephen spent 10 years as a research immunologist, including a period at the prestigious Scripps Research Institute in La Jolla. His research interests were in the development of novel therapies for autoimmune diseases, including arthritis, and led to clinical trials of new therapies. Stephen has an honours degree in science, a PhD in immunology and an MBA with distinction from Imperial College, London.

To contact Stephen Thompson, phone 08 8217 6400

On the cusp of major expansion

UK-based Protherics is on the verge of a major deal which would see it double its serum production operations at its Australian headquarters at Turretfield in the Barossa Valley.

Protherics is a drug development company specialising in critical care products derived from sheep polyclonal antibodies.

The raw material (serum) for its products, North American Rattlesnake anti-venom and an antidote for overdoses of the heart drug Digoxin, come from Turretfield, and more specifically, its sheep flock at Mintaro in the mid north of the State.

While those products have been the company's main focus, in the mid-1990s it developed a polyclonal antibody product called CytoFab™ for the control of sepsis-syndrome, or septic shock, which can be life threatening. It is this product which has Protherics poised for major expansion.

The hospital cost of treating patients with severe sepsis in the US is approximately USD\$17 billion each year. It occurs when the body releases high levels of an inflammatory response molecule called TNF-alpha following a severe infection – a complication which can arise after surgery.

“What we hope is that CytoFab™ can knock out TNF-alpha and have a major positive impact on the survival and recovery of patients, post-operatively,” said Mr Rob Mugford, Turretfield-based Operations Manager of Protherics Australasia Pty Ltd.

TNF-alpha is the same molecule implicated in rheumatoid arthritis, Crohn's disease and organ transplant rejections.

For Protherics, the search has continued for a partner to fund Phase IIB and Phase III clinical trials to prove the drug works. An incomplete Phase II trial produced positive results but did not meet the requisite patient numbers.

“Right now we are in positive discussions with a major global pharmaceutical company and we could be expecting some indication of their commitment within the month,” said Mr Mugford.

The sepsis syndrome

A major difficulty with finding a drug to treat sepsis is that it is a complex syndrome, so proving that a single drug works effectively is not only complicated, it is expensive.

“It has broken other businesses and it nearly sent us to the wall when we were doing the early R&D. The product we were working on in the '90s has been languishing while we have tried to find money to take it to market,” said Mr Mugford,

“If we can secure the CytoFab™ project it's going to be a real buzz because it will almost require us to double everything we're doing.” The potential market for the drug is estimated at around USD\$500m per



Turretfield-based Operations Manager of Protherics Australasia Pty Ltd, Mr Rob Mugford

annum, compared with the USD\$60m the other two products currently generate for Protherics.

There is also talk that if the South Australian operations grow to such an extent, then rather than sending raw product (frozen serum) to the company's Wales manufacturing plant for antibody extraction and purification, that a facility at Thebarton may be required to manage the company's increased manufacturing throughput.

“We'd really like to think we're on the cusp of something major. We're now employing the equivalent of 35 full-time staff and that could grow to 50,” said Mr Mugford.

“I get pretty parochial about our business. We've established some good facilities here and we really need the CytoFab™ project to come off to raise the profile of polyclonal antibodies as a source of therapeutic drugs.”

Mr Mugford said most antibody technology used monoclonals but he believed polyclonal technology provided the advantage of completely neutralising target molecules by binding to more than one site.

Protherics is one of a handful of companies worldwide that uses sheep to produce polyclonal antibodies.

Harvesting the antibodies

The 4,500 strong first cross Merino/Border Leicester wethers are immunised every four weeks for 18 weeks to produce antibodies against either a snake venom or particular drug.

At 18 weeks they reach their peak antibody level and are then bled every four weeks in a similar fashion to what happens at the Red Cross Blood Service.

At any one time, only 15% of their circulating blood volume, or 1% of their live weight is harvested.

Animals are first bled at about 20 months and generally remain in the research flock until they are 7.5 years old.

Once blood has been harvested, it is transported to the Turretfield facility where the bags are spun in centrifuges to separate the red cells from the serum, containing the antibodies. It is then filtered, frozen and exported to the UK parent company manufacturing site in Wales.

The antibodies are extracted and purified to form the end product. The bulk final product gets sent back to Mayne Health in Australia for final filling and freeze-drying and transported to the US for distribution.

To contact Protherics, phone 08 8524 9738

Commercialisation on the front line

Like a journalist on the front line of a battle zone, Dr Paul Tolstoshev is “embedded” as a Commercial Research Manager within the University of Adelaide’s School of Molecular and Biomedical Science.

“I’m somewhat of an experiment for Adelaide Research & Innovation because of the difficulty that technology transfer organisations have in that they’re generally resource-constrained and somewhat separate from the academic community, both physically and in terms of their activities,” he said.

In the role since August 2004, which is co-funded by Bio Innovation SA, Dr Tolstoshev is no stranger to the University of Adelaide.

“I have a long history with the School and the Discipline of Biochemistry. I’m a PhD graduate of the Biochemistry Department and ran a major contract research program for BresaGen within the School between 2000 and 2001,” he said.

Well equipped for the position, Dr Tolstoshev has spent half his career as a biomedical researcher and half in the biotech industry, mainly running R&D departments for small biotech companies in Europe, the UK and US; including managing a division for a large pharmaceutical firm.

More recently Dr Tolstoshev spent a total of four years with BresaGen and then started his own private consulting company before embarking on a year-long sabbatical at St Jude’s Children’s Research Hospital in Memphis, Tennessee, in 2003.

His role as Commercial Research Manager involves managing pre-existing commercialisation projects while working closely with researchers in the four disciplines – biochemistry, physiology, genetics and microbiology – to become familiar with their activities and identify what could be of commercial significance and should be protected by patents.



“I expected before I started to have plenty to keep me busy but I’m surprised by how much more there is going on. There are world-class researchers here across a wide range of disciplines so the more you look the more you find,” he said.

Director of Adelaide Research and Innovation, Mr Mark Szolga, said Bio Innovation SA’s funding support for this position is helping to bring commercialisation managers and researchers closer together and is already yielding early results.

Dr Tolstoshev is spending considerable time working to find a solution for what he calls a “conundrum” many universities face in the biological and medical research areas. And that is about accessing funds for proof-of-concept studies, which, he says, is often harder than funding for basic research. A problem he also discovered during his year in the US.

Optimistic about the path ahead, he said there is an initiative within the University of Adelaide to provide resources for a proof-of-concept fund while options were also being investigated with Bio Innovation SA.

To contact Dr Tolstoshev, phone 8303 3139 or email paul.tolstoshev@adelaide.edu.au

New era for AusBiotech



As the inaugural Chairman of the Board of AusBiotech, Australia's biotechnology industry association, Dr Simon Carroll feels privileged to be playing a role in helping "shape industry and create a vibrant contributor to the Australian economy".

Dr Carroll has been the Director of the Western Australian Biomedical Research Institute (WABRI) for the past four years and a Director of AusBiotech since its inception in 2001.

He has taken up the Chairman's role as the organisation ushers in an exciting new era. An important change to have recently occurred is the adoption of a new structure of Chairman/ CEO to replace the previous President/ Executive Director positions. A CEO will be appointed in the next few months.

With a PhD in parasite immunology and an MBA, Dr Carroll approaches his position with a wealth of scientific and management expertise.

He founded the Margaret River Cheese Company in the early 1980s, has been on the Board of Management of two Cooperative Research Centres and a number of biotechnology and tech transfer companies.

Prior to WABRI, Dr Carroll spent six years with CSIRO in Melbourne in business development and four years at AMRAD Corporation bringing diagnostic and research reagent products to market.

Commenting on the status of Australia's biotechnology industry, Dr Carroll said it had never been in better shape.

"If you look at the number of companies in the pharmaceutical and human health area that are conducting trials of Australian discoveries, or where Australian companies have licensed in late stage technologies, that's a sign of a maturing industry," he said.

"It's also a sign of maturity that companies with compounds at a late stage of development are partnering with other Australian companies to advance their portfolio value and address global markets and opportunities."

In the agricultural biotech sector, a number of leading technologies have been developed for genetic analysis and for influencing the production of plants and animals.

"We would also hope that there would be appropriate developments of genetically modified organisms (GMO) in the very near future to enable Australians to benefit from this technology. To be globally competitive with high value innovative agricultural products should be a major goal especially if this can bring about significant environmental benefits, such as reduction of harmful herbicides," said Dr Carroll.

"It is also important to recognise the impact on the investment community. Having a clear message that Australia is a country that supports biotechnology fully would, amongst other things, help to reduce investment uncertainty."

Dr Carroll said the medical device industry in Australia was at an exciting point with AusBiotech working with the Federal Government to develop a Medical Device Industry Action Agenda (MDIAA) for the sector during 2005. In terms of the year ahead, planning is well underway for the second AusBiotech/NZ Bio CEO Forum, 17-19 April, Gold Coast; BIO2005, 19-22 June, Philadelphia; and the AusBiotech 2005 National Conference, 20-23 November, Perth.

For further details about AusBiotech, visit www.ausbiotech.org

Consolidating AIB Labs Facilities

Bio Innovation SA has allocated a further \$400,000 this year to support facility manager and technical positions in four existing AIB Labs facilities within South Australian research organisations.

The facilities were among those who received funding in 2003/4 and include: Adelaide Microarray Facility, Antibody SA, Multi-scale Fermentation Facility, and Flinders Microscopy & Image Analysis Facility.

This brings the total of Bio Innovation SA infrastructure funding to the AIB Labs facilities to \$1,369,000 over the past 3 years.

AIB Labs Project Manager Dr Marianne Hellers said "We've developed a nucleus of strategically important AIB Labs facilities that offer a wide range of services, technologies and expertise to the SA research community."

"We need to make sure that these facilities can develop to a point where they are sustainable, and that's our focus for the next 12 months."



To support that goal, a new initiative will begin this year called the Facility Managers' Mentoring Program, which will involve the facility managers and their scientific advisors. They will participate in seminars and workshops run by Bio Innovation SA with the goal of developing viable business models for the facilities.

Dr Hellers said the aim is to guide the facilities towards being managed along commercial business lines in order to cater not only for academia, but also for commercial customers.

Also, an AIB Labs QA/GLP Manager will join the team in March to help AIB Labs facilities implement commercial quality standards.

For further details, please contact Dr Marianne Hellers on 8217 6475 or marianne.hellers@bioinnovationsa.com.au

No longer leader but still leading the way

For a pathologist, working in the IMVS is like “drowning in a fine wine”.



Prof Barrie Vernon-Roberts

It is heartfelt praise and comes from no higher source than the outgoing Director of the Institute, Professor Barrie Vernon-Roberts.

“We’ve got outstanding laboratory facilities and services, a highly skilled, committed staff and they’re fantastic people to work with,” he said on the eve of his departure from the Institute’s top job.

“It gives you a huge buzz and to have been the leader of it for a while is something I’ve really enjoyed.”

Director since 1998, Prof. Vernon-Roberts began his association with the IMVS in 1976 when he transferred to Adelaide from London and became the George Richard Marks Professor of Pathology at the University of Adelaide, Head of the Division of Tissue Pathology at the IMVS and Senior Visiting Pathologist to the Royal Adelaide Hospital.

While Canada and New Zealand attempted to lure Prof. Vernon-Roberts to their shores, it was Adelaide that succeeded. On a visit prior to taking up his appointment Prof. Vernon-Roberts said the IMVS was “phenomenally well-equipped” in terms of facilities and, by the standards of the day, was among the best in the world. He is proud to say that still holds true.

While he has stepped down from the top post, Prof. Vernon-Roberts will remain active as a world-leading spinal researcher with the IMVS for the next three years.

Instrumental as an agent for positive change from his early years in Adelaide, Prof. Vernon-Roberts championed an approach that has worked well for this city – he brought expertise here from overseas and promoted strategies to allow people from the IMVS to develop their skills overseas.

Under the Directorship of Dr Jim Bonnin in the mid-1970s, Prof. Vernon-Roberts received a supportive hearing when he suggested that “we need to import some people, albeit temporarily, and we’ll show what can be done”.

A carefully selected group of professionals were invited to Adelaide from London for a period of five years to bolster expertise and strengthen the Institute’s appeal to prospective staff; a strategy Prof. Vernon-Roberts freely admits was highly successful.

The most notable to arrive, and stay, was Dr Jane Lomax-Smith, now State Minister for Tourism and Education and Children’s Services, who was a registrar in London and qualified as a specialist pathologist in Adelaide.

From the start of his career in Adelaide, Prof. Vernon-Roberts has played a key role in building bridges between the separate facilities on North Terrace/Frome Road and fostering collaboration. In fact, this extends to his personal life too as his wife, Dr Jane Vernon-Roberts, who qualified in medicine with him in London, works as a Senior Lecturer in Clinical Studies at the University of Adelaide.

Out of his strong working relationships with orthopaedic surgeons across Adelaide came the Bone and Joint Research Foundation and, to this day, its founding initiative remains, requiring that all trainee orthopaedic surgeons undertake a research project.

A particular highlight has been the establishment of the world-renowned Adelaide Centre for Spinal Research at the IMVS; made possible with a \$1 million grant from an orthopaedic company in the US.

The Centre has won the premier international award for back pain research on three occasions, due to productive collaboration between Prof. Vernon-Roberts and colleagues who are world leaders in complementary fields in spinal research, making the institution an undisputed leader in its field. Frequent requests are received from the FDA and others to do investigations, particularly for matters controversial.

For a man whose philosophy is that nothing less than excellence is acceptable, he takes his achievements in his stride: “To be part of a catalyst for better things to happen is gratifying and it should be a normal part of any senior leadership position.”

Recognition of people’s skills and contributions has always been at the forefront of Prof. Vernon-Roberts’ mind, especially as a leader in a public service environment where remuneration based on performance cannot be managed in the same way as occurs in the private sector.

Last year, this was done in the form of a cocktail event to commemorate staff who had served more than 20 years. Some 250 people qualified for that honour with a further 320 people celebrating service of 10 years or more, a unique achievement out of a 1000-strong workforce.

With his day beginning around 4am, there is no doubt that in the last three years of his career Prof. Vernon-Roberts will achieve what most people are pleased to accomplish in a decade.

And away from work, there will be plenty to occupy this brilliant mind; his beloved Australian rugby union team, the Wallabies; birds, photography, wine, classical music, theatre and decorative arts.

BresaGen on the move and attracting global interest

Adelaide-based biotechnology company BresaGen has rebounded strongly since re-listing on the stock exchange.

BresaGen, which specialises in peptide and protein pharmaceutical production, has secured contracts and collaborations in excess of \$1.8 million and is confident of finalising several other deals in the coming months.

Chief Executive Officer Dr Wolf Hanisch said the firm had been talking to 12 Australian and overseas companies regarding process development and contract manufacturing and signed projects worth over \$600,000 for completion this calendar year.

A collaboration agreement has been executed with an overseas pharmaceutical company and commencement of the initial project, valued at \$1.2 million, is subject to finalisation of the commercial terms.

BresaGen is also currently in the midst of an \$8.8 million rights issue, which closed on February 22.

The company's re-listing and contract wins represent a revival of the company since it was put into voluntary administration in January 2004. BresaGen's emergence from administration in October last year followed a significant capital injection from its major shareholder, Queensland pharmaceutical group CBio Ltd.

Dr Hanisch said the re-capitalisation and re-listing was an "excellent result that lays the foundations for the company's continuing growth".

He said BresaGen's focus was now firmly on proteins and peptides, due to the increasing worldwide market in biopharmaceuticals. In 2003, 12 peptides were registered globally – with just that small group representing a market of \$9.2 billion.

Dr Hanisch said BresaGen's approach to process development involved targeting customers needing a process for recombinant production of protein or peptide required in large quantities for commercial success, where cost of goods sold is a major issue.

For further information contact

Dr Wolf Hanisch wolf.hanisch@cbio.com.au or

Dr Meera Verma MVerma@bresagen.com.au

In Brief

Start grant boost for GroPep

GroPep Limited has received a significant boost to its psoriasis program with an R&D Start grant worth \$3.4m over three years.

The funding will be used to fast track GroPep's development of its topical formulation for psoriasis, a skin disease affecting more than 20 million people in the western world and over 70 million in Asia.

CRC success for South Australia

SA's research organisations have secured research funding of at least \$60 million under the Cooperative Research Centres Program.

Out of the 16 grants announced recently by the Federal Government, eight will involve major research being undertaken in South Australia, with two of the larger projects to be based in the State.

The SA based projects include:

\$30 million to a consortium involving the University of South Australia for a new CRC for Contamination Assessment and Remediation of the Environment, which will develop monitoring tools for a range of pollutants.

\$25.75 million to a consortium involving the University of Adelaide for a new CRC for an Internationally Competitive Pork Industry aimed at reducing production costs and increasing demand for quality pork and niche products.

Bionomics Acquires Neurofit

Bionomics Ltd has recently acquired French contract research organisation, Neurofit. Neurofit's core business is the preclinical testing of developmental therapeutics for CNS disorders. Bionomics is expected to commence operating the company by 1 March 2005.

Bring out the entrepreneur within

EDI, an organisation that has played a key role in helping enterprise and wealth creation in South Australia since 1979, will be commencing its 2005 program in May.

It will include three main workshops: SA Enterprise, Young Entrepreneurs Challenge and Commercial Viability Assessment.

For further details, please visit www.saenterprise-workshop.com

People on the move

Mr Duane Rivett has been appointed Project Manager at Vet Biotechnology Ltd. He recently completed his Masters in Biochemistry and Cell Biology at the University of Adelaide.

Dr Steven Polyak from the University of Adelaide takes on the Chair of the SA branch of the Australian Society for Medical Research.

Dr Atul Kacker, most recently a Thebarton Project Manager at Bio Innovation SA, has moved to CSIRO Health Sciences & Nutrition as a Senior Commercial Manager.

Dr Alex Szabo is the new Vice President of Business Development at Bionomics Ltd. He takes over from Mr Francis Placanica who has moved to Vice President of Legal Affairs and IP.



Coming Events

Bio Innovation SA
Networking Forum & Scientific
Presentations
3 March 2005, 5.30pm – 8.30pm
Worth the Waite – AgBiotech
Goes International
Plant Research Centre, Urrbrae

5th Annual EC21 BioVentures
22-23 March 2005
The Future of BioVenture
Investing:
Biotechnology, Informatics,
Medical Devices and Healthcare
Services
QEI Conference Centre, London
www.techvision.com/ec21/

15th Annual Conference of
the Australian Society for
Biomaterials
31 March – 2 April 2005
Whalers Inn Resort, Victor
Harbor
[www.biomaterials.org.au/
meetings.htm](http://www.biomaterials.org.au/meetings.htm)

BioSquare 2005
13-15 April 2005
Bringing the Global Life Science
Community together
International Convention
Centre, Lyon, France
www.ebdgroup.com/biosquare/

AusBiotech/NZ Bio CEO Forum
17-19 April
Media, Analysts & Money
Marriot Hotel, Gold Coast, QLD
www.ausbiotech.org

BIO 2005
19-22 June
Pennsylvania Convention
Centre, Philadelphia, USA
www.bio.org/events/2005

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Commercialisation: The necessary art of losing control

“In order to succeed in the volatile world of biotech commercialisation, inventors have to learn to lose control.”



These words of wisdom come from Dr Andrew Kelly, Chief Scientific Officer of the new Auckland-based bio-fund BioPacificVentures.

Dr Kelly, who will be a speaker at Bio Innovation SA's next networking event on 3 March at the Plant Research Centre, The Waite, has moved in what he terms “a strange career path from veterinarian to research leader to product development and now investment”.

His experience includes running product development in a major research house, managing a \$12 million seed stage investment fund, and now being part of the \$100 million BioPacificVentures fund. Most of his career has been in Australia but he moved to New Zealand seven years ago “because the Kiwis were stronger in agbiotech commercialisation”.

“As an investor, I've seen many examples now of big successes and all of them have involved, to some degree, a seat-of-the-pants approach that scares the heck out of most scientists,” said Dr Kelly.

“Scientific training is about careful consideration, planning and control. It's about nailing down the 95 per cent probabilities. High-growth businesses are about focusing on what's most important for the moment, making the best decisions you can (and getting many of them wrong) and keeping the momentum going.”

Dr Kelly is pointed about the difference between the two worlds.. “Commercial development operates on a different clock-speed. It's all about managing growth under very restrictive circumstances. Even the very first steps of commercialisation involve serious expenditure, which means using other people's money. And those people are horribly sensitive to their rate of return, which brings a cruel pressure on both time and cost,” he said.

According to Dr Kelly, “the art is to lose control – to stop trying to build a knowledge base or to perfect a technology or a product, but instead to focus on maximising progress to commercial revenue. This is both a mind-set change and a change of pace. It's about keeping the most important things in front of you at all times, making decisions and acting on them every day, and being prepared to be wrong.”

“Young biotechs are a bit like wind-up toys – from the very start they are on a time-limit, running out of resources, and unless they make material progress and bring in more resources, they will just die.

Progress is measured by value uplifts – either a concept proven, a license granted, a customer or partner signed-up, etcetera.”

He said many scientists have made this transition, and providing they can adapt to the circumstances, and preferably enjoy them, science training is an ideal base for most commercial biotech roles.

Andrew Kelly will speak at the Bio Innovation SA Networking Forum & Scientific Presentations “Worth the Waite – Agbiotech Goes International”, Thursday, 3 March from 5.30 - 8.30pm at the Plant Research Centre, The Waite, Urrbrae.

The BioPacificVentures fund is about to open for business with a focus on the convergence of agriculture, food and health.

It is actively seeking to meet with South Australian companies who have capital needs and high growth prospects.

**For further details contact
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