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Strong debut for stem cell researcher

Mesoblast takes off

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SHARES in stem cell pioneer Mesoblast blasted into the stratosphere yesterday after the biotech's debut on the stock exchange.

Eight major fund managers were rewarded for backing the float and had doubled their $17 million capital injection to $34 million by midday.

Mesoblast's 44.2 million 50¢ shares opened at 91¢ and quickly climbed to $1 by midday.

The initial excitement had eased by mid-afternoon, with the stock trading down to 77¢ before it recovered slightly to end the day at 80¢.

At that price the Melbourne biotech's market cap has risen to $35.36 million from $21 million before the market opened.

Chairman Michael Spooner said yesterday that directors and researchers were delighted with the reception the market gave.

"I think it is always difficult to gauge the market — the market does what the market does — but we're delighted with the support," he said.

Mr Spooner said the next step for Mesoblast was to identify future milestones and begin toxology studies on using mesenchymal precursor cell technology, for which Mesoblast holds a worldwide licence.

The aim of the research is to efficiently isolate adult MPC cells, a type of adult stem cell which has been found to generate new bone, cartilage and blood vessels.

Animal tests have proved successful, delivering better results than existing and competing technologies.

"What we would like to be able to do is move towards a regime where we can clearly identify the milestones that we're trying to achieve in the future," Mr Spooner said.

"The commercialisation of adult stem cells is aimed at treating afflictions that really impact us all, either through disease, ageing or injury — it focuses on quality-of-life issues."

Mesoblast was founded earlier this year by leading medical researcher Professor Silviu Itescu.

It has a US-based sister company, Angioblast, in which Mesoblast expects to take a one-third share.

Angioblast is developing therapies for cardiovascular conditions.

"In cardiac work we would deliver the cells by catheter directly to the heart after someone has had a heart attack," Prof Itescu told the *Herald Sun* recently.

He said arteries and heart muscle had been regenerated in rats.

In sheep, leg bones had regenerated over 12 months to the stage where there was no difference in bone density.

It is his plan to bring to the market therapies developed by Adelaide's Hanson Institute for Medical and Veterinary Research which also gained windfall profits from yesterday's listing.

The Hanson Institute was given a 5 per cent stake in Mesoblast in recognition of its 10 years of research into the technology.

Prof Itescu, a faculty member at Melbourne University and Columbia University in New York, plans to begin human testing soon.

Mesoblast's board comprises Mr Spooner, Byron McAllister, Donal O'Dwyer and Prof Itescu.

Market support: Professor Silviu Itescu (left) and Michael Spooner at the ASX yesterday