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## Stem cell firm in dream debut

By HEATH ASTON

PROFESSOR Silviu Itescu was ready to swap his lab coat for dancing shoes yesterday.

The founder of Dick Pratt-backed stem cell research company Mesoblast watched ecstatically as shares in his biotech doubled in a dream stock market debut.

At one point Professor Itescu's shareholding on paper hit \$46 million as shares raced to \$1 from an issue price of 50c.

"I'm a happy man, I'm a happy man," he said. "It's been a good day."

Mesoblast pioneered the use of adult stem cells to treat heart disease and orthopaedic problems like osteo-arthritis.

The technology has been used to repair bone fractures and arteries in sheep and will now move to human clinical trials.

Professor Itescu has overseen the decade-long project from its infancy in two Adelaide research centres. He also founded the US-based stem cell outfit Angioblast.

Mesoblast will take 33 per cent of Angioblast, using some of the \$21 million it raised in its highly popular float.

Mesoblast's share registry is crowded with big money players like JP Morgan, ANZ, Westpac and cardboard King Ri-

chard Pratt's Thorney Investments, which Professor Itescu advises on biotech matters.

"We are delighted with the way it came on, we've had terrific institutional support and it was clear that people realised there was good value in the technology. It's world-leading technology," Professor Itescu said.

He had no opportunity to cash in on the boom debut, being locked into his position for two years as director and chief scientific adviser.

A major benefit of adult stem cell technology is that it is less controversial than embryo-based techniques and should meet fewer regulatory hurdles and ethical debate.

Professor Itescu said there had already been interest in the product from international companies.

"Like most young biotech companies what we're going to be doing is looking to develop corporate relationships. The strategy for Mesoblast is add value to the existing technology by early stage clinical trials, scale-up and [US] FDA approval," he said. "We will be using large pharmaceutical partners to use their distribution channels."

Mesoblast debuted at 91c, topped at \$1 and closed their first day at 80c, a 30c premium.