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TV show prompts ACT group to buy into winner

By Graham Cooke

A television program aired in September last year was the catalyst for a Canberra-based consortium's entry into the medical manufacturing market and a recently concluded deal that will see an Australian developed retractable syringe sold widely in the United States.

Listed company Genesis Biomedical Limited has acquired the capital of ENSI-MED Manufacturing, a Canberra-based company set up less than a year ago to buy Melbourne's Uni-Ject Australia.

It all began when Benjamin McGainey was watching a program about Uni-Ject and its retractable syringe, which virtually eliminated needlestick injuries in hospitals.

"I thought it was a great product and rang a friend, Dave Campbell, and he had been watching it as well," Mr McGainey said.

"I called another person, Geoff Cowan, and he had also been watching, it seemed like fate.

"We thought they had something, and the upshot was that we struck a deal."

The Canberra group, which also included Mark Hosking, David and Jane Marsh, bought Uni-Ject's manufacturing capacity and intellectual property, bringing on board David Mason and Napoleon Curie, the inventors of the product.

The next step was to expand the toehold Uni-Ject already had in the lucrative US market.

In 1994 Uni-Ject was among one of the first companies in the world to develop a safety syringe and had been manufacturing and selling it around the world until the ENSI-MED deal in 2002.

Mr McGainey said there were rival companies in the area "but we have Therapeutic Goods Administration and US Federal Drugs Administration approvals and we can also sell in Europe, so we have all the ticks in the box", he said.

"If a client wanted 100,000 syringes tomorrow, I could lift the

phone and have them shipped out.

"The fact is the US spends \$4 billion a year on syringes alone and there are 40 billion used worldwide, so it is an enormous market.

"The US Congress has also passed a law stating that safety syringes must be used when available — they said 'when available' because the demand still can't be met.

"The fact is no hospital in the world is going to stop using syringes, it is a product that is going to be with us for a long time.

"Apart from the obvious health

benefits, there is a substantial saving in cost. If a health worker is stuck then it costs anything between \$300 and \$500 to conduct tests, and if the tests are positive, the costs are out the window."

He said the deal with Genesis would raise capital, and set the scene for future expansion and possibly future products.

The plan was to retain the Melbourne manufacturing base while keeping the administration in Canberra.

"It's where most of us live and there is the advantage of having all the embassies here, so there are opportunities to lobby," he said. "We all felt that this should remain an Australian operation."

Genesis Biomedical will look at raising about \$1.2 million to con-

tribute to the manufacturing and sales push of the safety syringe.

"GBL would expect to lodge a prospectus by December 22 and should shareholders approve the transaction, the merged business should be up and running by early February," Mr McGainey said.

Genesis Biomedical was trading at 5.5c on the Australian Stock Exchange yesterday.



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Benjamin McGainey and Dave Campbell with their company's retractable syringe.

Picture: ANDREW CAMPBELL