

ART technology to lower costs of new drugs: GE unit to be sole global distributor

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MONTREAL - A 10-year-old Montreal research company has developed new scanning technology that will help to reduce the soaring cost of bringing new blockbuster drugs to market.

ART Advanced Research Technologies Inc. said yesterday giant General Electric Co.'s GE Medical Systems unit will become sole worldwide distributor for its laser scanning system called SAMI for early drug research.

ART, which has raised US\$56-million to develop the technology and which went public in June, 2000, will start to get revenue from SAMI by fall, said Micheline Bouchard, the former president of Motorola Canada Ltd. named chief executive a year ago. GE recently became a partner in ART with a US\$3-million equity infusion.

"SAMI speeds the new-drug testing in animals that precedes human trials, reducing costs and the time needed to get the product to market," she said. "Our scanning technology will later be used widely in human trials, mammography and disease detection and GE is attracted by its potential for the future."

Researchers may use 1,000 mice to find how a new drug affects different organs, she said. ART's device fires pulses of laser energy through the animal's body, tracks the reactions in real time and captures the information electronically. Far fewer animals are needed and vivisection avoided.

ART retains full technology and manufacturing rights to SAMI and GE will handle marketing, sales, distribution, training and service. GE is also ART's partner in SoftScan, the mammography application and the company's second product to hit the market -- probably in 2005-2006 after Canadian and U.S. approval. It eliminates the discomfort and radiation of X-rays in breast cancer detection.

"There are many diagnostic systems, but ART's less invasive and more effective imaging technology is ideal for the new drugs being targeted at specific regions of the body," said Mrs. Bouchard. "We retain the technology platform and we'll leverage optical imaging to the maximum ... these two products are just the start."

ART's share price gained 40 cents, or 15%, to \$3.05 yesterday in Toronto.

"This is Star Trek stuff and GE is endorsing ART's technology," said one analyst. "The long-term potential is big, but SoftScan is taking more time to move towards regulatory approval than expected."

ART was co-founded by engineer Paul Bisson, a former president, to apply laser and thermal-imaging technology used in military operations to the medical field.

In the nine months ended Jan. 31, ART lost US\$4.2-million after a US\$2.4-million gain on the sale of its industrial-products unit. It spent US\$4.1-million on research and had US\$8-million cash.

GE, the Caisse de depot et placement du Quebec and management each hold 10% of the 26 million shares outstanding and the U.S. Oppenheimer Fund about 12%.