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CANADA VENTURE: Hamilton Thorne May Help Stem-Cell Breakthrough > HTL.V

By Laura Kusisto, WALL STREET JOURNAL/ DOW JONES NEWSWIRES

TORONTO (Dow Jones)--Hamilton Thorne Inc. (HTL.V) is clearing the way for major breakthroughs in stem-cell research.

The Beverly, Mass.-based company makes lasers that can clean up stem-cell samples by sweeping away regular cells. Chief Executive Meg Spencer says its "mini lasers" are more accurate and cheaper than conventional technologies.

Traditional lasers resemble using a hand shovel to weed a giant field. Instead, Hamilton Thorne offers an automated laser that can sweep back and forth with precision, she says.

Lasers have several applications and the company doesn't sell the only laser technology used in stem-cell research, but its products are much smaller and cheaper than those of its competitors, according to Spencer. Competing technologies sell for \$250,000-\$500,000, while Hamilton Thorne's products cost \$28,000-\$45,000.

The company says the lower price will allow labs to buy multiple lasers, sometimes several for the same microscope, increasing efficiency and decreasing the risk of cross-contamination between researchers.

While stem-cell research may be seen as a risky area in which to invest because it's in the early stages of development, Hamilton Thorne's devices don't require approval by the U.S. Food and Drug Administration.

"The other exciting thing about us," Spencer says, "is you don't have to gamble on a particular technology and hope that the FDA will approve (it). We sell to them all, the winners and the losers."

Hamilton Thorne also says the market for its products is likely to grow rapidly in the next few years. Around the U.S., 263 clinical trials for stem cell treatments are underway, which could eventually offer treatments for heart disease, cancer and Alzheimer's disease, to name a few.

"The 20th century was the century of antibiotics. The 21st century will be the age of regenerative medicine," says Eric Lander, co-chair of the Council of Advisors on Science and Technology to the U.S. president.

To capitalize on this opportunity, Hamilton Thorne has increased its sales push recently, signing a partnership agreement with Leica Microsystems, a German company with sales representatives in 19 countries, to market and distribute its products.

"Leica possesses a highly specialized and trained sales force that should facilitate greater (potentially considerable) distribution capacity and market penetration of (Hamilton Thorne's) products," says Connie Chen, an analyst at Lowen, Ondaatje and McCutcheon. The partnership "signals stronger sales growth in the coming quarters," Chen added.

Hamilton Thorne has just started to climb back from the recession. In 2009, its revenue was \$4.8 million, down \$1 million from the year earlier. The company lost 10 cents per share. But Spencer noted that in the second quarter of 2010 ending June 30, revenue increased 57% over the year-earlier quarter to \$1.6 million.

Though Spencer expects the third quarter to be a little weaker due to the sluggish summer months, she said the company expects to grow this year and in 2011.

"We're off and running," she said.

Company website: <http://www.hamiltonthorne.com>