



Benitec hopes big Merck deal will silence critics

By **IAN PORTER**

INTEREST has been rekindled in the tiny Benitec biotech company after global pharmaceuticals giant Merck paid \$US1.1 billion (\$A1.42 billion) for a similar company in the US.

Spurned after its shares hit \$1.20 in late 2003, Benitec sank as low as 2.2¢ in August before surging from 4.1¢ to 7.9¢ earlier this week.

"I thought the intellectual property was worth far more than that, so I agreed to come on to do a turnaround," said chief executive Sue MacLeman, who joined the company in August.

Ms MacLeman said Benitec had world patents over one-third of all the foundational IP available in the world for application in the emerging science of gene silencing.

The other two companies in the world with similar patents

were Alnylam Pharmaceuticals and Sirna Therapeutics, both of the US.

Last week Merck bought Sirna for more than twice its previous sharemarket value.

"We are in quite a powerful position," Ms MacLeman said, "not that it's reflected in our share price.

"But I expect someone is going to come sniffing around now and there'll be more interest in the shares."

Three years ago Benitec was valued at more than \$100 million.

However, it closed on Friday at 6.3¢, valuing the company at \$12 million.

Gene silencing involves interfering with ribonucleic acid (RNA) in a process called RNAi. RNA is the carrier of messages to cells from genes, and if it can be manipulated it can turn off, or silence, specific genes.