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Advion to break in MS market

Advion BioSciences Inc (Ithaca, NY), a specialist in microfluidics and ion source technology, plans to break into the market for mass spectrometers (MS), using the funds raised in the sale of its bioanalytical contract research organisation (CRO), Advion BioServices, to **Quintiles Transnational Corp** (Durham, NC). Dr Jack Henion, co-founder, CSO and chairman of Advion, and David Patteson, its CEO and president, are going to lead the resulting Advion Inc, with a workforce of 52.

"We are in the final phases of launching our compact [MS], the expression CMS. It is half the size and half the cost of current commercially available single quadrupole [instruments]. We are currently receiving orders with a commitment for spring 2012 delivery", Patteson told *Instrument News*. Further new products are to be released by next spring, including a new range of ion sources, "and our future has never been brighter", he added.

Patteson said that Advion's very strong financial position provided the foundation for achieving the company's vision. "Our venture capital partners have been patient investors for the last 10 years. The sale allowed them to realise a return on their investment, while providing the capital necessary for us to build out the System business," he explained.

Founded almost 20 years ago, Advion used its capabilities in microfluidics to become a supplier of flow control technology in nanoLC and microchemistry systems, but made its name as the developer of a chip-based electrospray ionisation (ESI) module, the TriVersa NanoMate®, launched in 2004. This product is used in conjunction with more than 40 models of the world's MS manufacturers under a number of co-marketing agreements.

How these analytical instrument giants will view the newly-established competition and how this will affect Advion's agreements with the likes of AB Sciex, Agilent, Bruker, Thermo and Waters, needs to be seen. Patteson stressed that not all of these vendors currently provide solutions in the single quad space, indeed that the unique characteristics of the CMS marked it out as being without

competition.

"There are no solutions on the market today, which can fit in a fume hood, or can be used as a mass detector for reaction monitoring, or as a clip-on mass detector for a range of chromatography companies, who today do not have their own MS. [Furthermore, the system] sells for less than \$50,000, which fits into budgets more easily than a \$100,000-150,000 single quad," Patteson said.

He expects 50% of systems to go into direct sales to synthetic organic chemists in academic institutions and the pharma industry, while the rest will reach the market via the company's OEM partners, a number that currently stands at eight. Approximately 600 TriVersa modules sold over the last six years into central MS groups in academia and pharma "has given us a leg-up on commercial ramping", Patteson explained. "We would be surprised not to achieve 500-600 units per annum by year five".

Brian Smith, vp of MS operations at Waters, told *Instrument News*: "We have a successful co-marketing agreement with Advion, and we don't see that this move will affect our relationship. Indeed, it will be interesting to see if the Advion team will be able to expand the market." Other MS companies approached by *Instrument News* were equally content with the development.

Advion's previous acquisitions – the NanoTek purchase in 2007 (microfluidic synthesis systems) and the takeover of Advion's manufacturing partner Washburn Manufacturing Technologies in 2008 – now suddenly look like strategic stepping stones towards the current move. The company reported annual revenues of \$27 million in 2007 and *Instrument News* estimates overall revenues for 2011 at above \$40 million. The purchase price for the BioService division was not disclosed.

Renamed Advion Bioanalytical Labs, the 180-strong BioServices division will be led by a management team consisting of Tom Kurz, Advion's other co-founder and president of the BioServices division, Tim McGrath (executive vp of operations) and Dr Steve Lowes (senior vp of science). ■