

To: Australian Securities Exchange
Submission address: regulatorypolicy@asx.com.au

14 May 2012

Re: ASX's proposed change to raise limit for capital raising in Annexures 5

I write in support of the ASX's proposal and consultation "Strengthening Australia's equity capital markets," (point 1) recommending an increase to the capital raising limit for small to mid-cap companies from 15% to 25%. The move would bring the capital raising limit into line with international markets, which is especially important to a global industry such as biotechnology.

Australian biotechnology is an industry of the future, still relatively young but maturing with the sector emphasis shifting from early research to clinical development, and pre-market activities to marketing activities. Crucial to the success of the shift is the ability of Australian biotech companies to identify and attract international partners and funding and new sources of funding to support their product development and global marketing efforts.

AusBiotech is Australia's biotechnology industry organisation working on behalf of over 3,000 members in the areas of human health, medical devices, food technology, agriculture, environmental and industrial biotechnology, for more than 25 years. AusBiotech is dedicated to the development, growth and prosperity of the Australian biotechnology industry. Biotechnology already represents around 100 of the ASX-listed companies, and it is estimated there are more than 900 private biotechnology and medtech companies in the next wave. Capital raising is a constant and ongoing challenge for the sector, which is dominated by small to mid-cap companies.

AusBiotech provides local and international investor meetings as a global platform for life sciences companies seeking partnership and investment. AusBiotech has now established a regular series of showcase international investment events, and this year will feature events in Australia, Asia, North America and Europe.

AusBiotech agrees with the proposed listing rule 7.1A, that mid to small caps will be able to seek a 12-month shareholder mandate to issue 10% of issued capital at a maximum 25% discount to market price. This will be additional to the 15% permitted under listing rule 7.1, which will remain unchanged. Mid to small caps will be permitted: Up to 15% without approval or other exemption (current rule 7.1); An additional 10% at a maximum 25% discount to market price within 12 months of shareholder approval (new rule 7.1A); Additional issues within three months of shareholder approval (current listing rule 7.1).

Capital is the 'lifeblood' of research-intensive companies such as those in the biotechnology industry, and any reform that can both improve capital flow and increase the ability to compete globally will be beneficial to the future of the industry. We, therefore, support the ASX recommendation to increase the capital raising limit for mid to small caps to 25%. It is important that the Australian biotechnology industry is able to compete globally and that we do not leave our companies at a disadvantage to those in comparable markets.

Yours sincerely



Mr Glenn Cross
Chief Operation Officer
AusBiotech Ltd