

# GW moves to ease worries over cash

By Richard Irving

THE head of GW Pharmaceuticals has sought to calm fears that the company will tap the markets for further cash by pledging to find partners to help to bring its cannabis-based medicine to the market.

Geoffrey Guy, chief executive, refused to rule out a fund-raising but said that it was not a likely option for the company. "Our top priority is to seek out licensing deals. We have an asset that is of great interest to

pharmaceuticals companies and we are in a very strong financial position to exploit these to the full," he said.

Fears over GW's finances arose this month after UK regulators demanded that it run another trial on Sativex, the first prescription-based medicine developed from the cannabis plant. Although the treatment has passed safety tests, the regulator asked for more proof that cannabis can relieve involuntary muscle contractions in multiple sclerosis sufferers.

Shares in the company halved after the ruling, which will delay a £10 million milestone payment that GW was expecting from Bayer, its partner, by at least 18 months. Dr Guy denied that GW faced a cash crisis, insisting that the company had contingency plans that assumed a delay in the launch of Sativex in Britain.

It had cash reserves of £16.2 million at the end of last month, bolstered by a £1.9 million tax credit from the Revenue and Customs and a £2.5 mil-

lion share placing with its largest investor, Preston Parish, the American entrepreneur.

The chief executive said that the business was burning through cash at a rate of £1 million a month — enough to finance the company's operational expenses for at least another year.

"Sixteen months is plenty of time to open and complete negotiations with potential licensing partners," Dr Guy said.

He declined to say how long the company had been in talks

with potential partners or how long a deal might take to strike.

However, he said that Bayer, which already holds the licensing rights to Sativex in Canada and the UK was a "strong contender" for a deal that would cover the rights for the rest of Europe.

GW first told investors that it expected UK regulators to approve Sativex, an oral spray, in 2003. However delays have put the launch back several times. Responding to criticism that the company had been too

optimistic in its original forecasts, Dr Guy said: "We were passing on to shareholders the guidance that we were given by the regulators."

GW said yesterday that pre-tax losses for the first six months of the year narrowed to £5.1 million, against £6.9 million over the same period last year.

The shares, which hit 169½p last December, were unchanged at 63½p yesterday.

Tempus, page 53

## Hostile domain

ROYAL DUTCH/SHELL is locked in a dispute with an 88-year-old war veteran who saw action in the Burma campaign and now runs a website, royaldutchshellplc.com, that publishes material critical of the oil company.

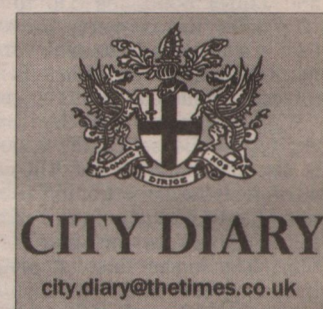
The roots of the row between Shell and Alfred Donovan go back to the early 1990s and have to do with earlier marketing campaigns. Mr Donovan and his son John say they do not want money for the site, which Shell unaccountably failed to register.

But they will not hand over the rights to the domain name until the company "gets rid of the management" responsible for its various woes, notably last year's reserves scandal. (I thought they had.) Shell is going to the Geneva-based arbiter of such disputes next month to try to strip the Donovans of the right to the name.

It all brings to mind the delightful tale of John Bunt, his car and another huge oil company. Bunt "cybersquatted" BP after his vehicle was damaged in one of the company's car-washes, displaying pictures of the wreck on his website and abusing the company. The Donovans might note that Bunt eventually won.

TRANSPORT for London (TfL) has shut down three busy escalators at Waterloo station — which is used by 64 million people a year — and a staircase near by for a staggering six months for their regular refurbishment. "It's a very complicated process to replace an escalator," says Tube-lines, one of the two contractors refurbishing the Underground.

None of this would normally concern us, except that I just happened to notice that before they



were closed, the escalators were advertising London's (hopefully doomed) Olympic bid, which TfL is heavily endorsing.

Now, what are the chances that a body that takes six months to service three escalators can have the capital's entire transport system upgraded in the same number of years? Delusions of grandeur...

## Tunnel vision

CONFUSE Eurotunnel, the body that operates the Channel Tunnel, and Eurostar, which runs the rail service, and journalists will without fail receive a pro forma letter setting them straight. But, eleven years after the Tunnel opened more than half the populations of both Britain and France still don't know the difference, according to research.

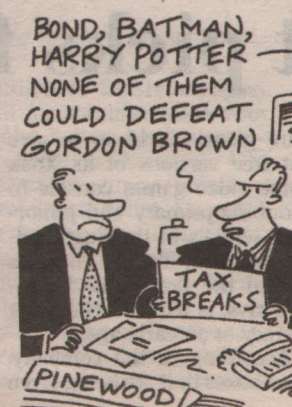
Even Eurotunnel investors have trouble. "Why are you moving from Waterloo to St Pancras?" asked a British shareholder at yesterday's meeting in the City. Er, not us, said a stony-faced Eurotunnel executive. That's Eurostar.

As if Eurotunnel's bosses didn't have enough problems, it seems the British are falling out of love with France. Our favourite holiday destination is now Spain. Eurotunnel is working with the French tourist industry to reverse the trend but the unfortunate spat between Chirac and Blair has not raised their hopes.

HOW strong is the hostility between Diageo and Allied Domecq, the pair that battle it out as the world's biggest drink companies? Allied said yesterday that the independent board set up to review its marketing from a social responsibility standpoint had decided it should refrain from motor sport sponsorship "on the basis that alcohol and driving does not mix".

Fair enough. Except that in February, Diageo announced its Johnnie Walker Scotch whisky would sponsor the McLaren Formula One team.

MARTIN WALLER



## Try BlackBerry free

Get up to 5 BlackBerry® handhelds for a month, and give your team secure email on the move. We're sure you'll take it on.

To find out more visit [www.my-blackberryfromo2.com](http://www.my-blackberryfromo2.com) or call 0808 161 1003 (ref trial).

BlackBerry

UK business customers only. Excludes roaming, SMS and voice calls. See [o2.co.uk/blackberry](http://o2.co.uk/blackberry). Subject to network coverage. The RIM and BlackBerry family of related marks, images and symbols are the exclusive properties of and trademarks of Research In Motion Limited. Used by permission.

See what you can do.

O<sub>2</sub>