

Hearing aid hits the right note

Ben Schneiders

For most start-up companies raising money is a serious hurdle. For hearing aid company Dynamic Hearing the opposite is true, it's awash with cash.

In just over 15 months it has received \$2 million in venture capital and is close to finalising another \$3 million in funding.

The funds have been pumped in by venture capital firms Nanyang Ventures and GBS Venture Partners (formerly Rothschild Bioscience).

Both firms have become major shareholders in the company, which recently made the first sale of ADRO, a digital product which is used in hearing aids and cochlear implants.

The deal with French manufacturer Intrason will result in ADRO being used in a hearing aid that will be sold to more than 40 countries, although not Australia.

Dynamic Hearing chief executive Elaine Saunders would not disclose the financial terms of the deal but said it was non-exclusive, with the company planning to make further sales. She said the company would not be profitable this calendar year but hoped to break even in 2004. The long-term goal was to float the company, she said.

Dr Saunders said ADRO makes it easier for hearing aid users to pick up soft sounds and makes speech sound clearer in noisy settings.

Clinical trials of ADRO in 2002 were positive, she said, with 74 per cent of respondents preferring it to conventional products.

The ADRO software is embedded in a chip produced by Canadian firm Dspfactory, the only independent supplier of chips for hearing aids that are suitable for open platform programming.

"It's a very important relationship," she said.

"They're a relatively young company and they have a chip and we have the technology in the form of software."

There were also plans to formalise the relationship between the companies, Dr Saunders said.

In February last year Dynamic Hearing was spun-off from the Cooperative Research Centre for Cochlear Implant and Hearing Aid Innovation (CRC HEAR), which remains a shareholder.

Cochlear Ltd, which has an indirect shareholding in Dynamic Hearing through CRC HEAR, has the rights to ADRO in cochlear implants.

Dynamic Hearing can use



Dynamic Hearing chief executive Elaine Saunders wants to develop a suite of products using the new technology.

Photo: ERIN JONASSON

ADRO, which was invented in 1996, for hearing aids and other devices such as telephone headsets, Dr Saunders explained.

Dr Saunders said Dynamic Hearing wants to develop a more complete range of products for

hearing aids such as microphones and devices that addressed hearing aid feedback.

"We want a suite of products that go with ADRO. We are developing products to feed that market need," she said.