



Monday, January 21, 2008 - 2:09 PM CST

Investment in health care startups doubles in 2007

The Business Journal of Milwaukee

Wisconsin health care start-up firms received \$56.2 million in venture investment in 2007, more than twice the investment from a year ago, according to a report released Monday.

A \$12 million investment in **Deltanoid Pharmaceuticals Inc.**, a privately held pharmaceutical development company in Madison, represented the bulk of the state investment in the fourth quarter of 2007, according to the report.

The quarterly report, by Cleveland-based **BioEnterprise**, examines venture capital investment in health care fields in 12 states, including Wisconsin, Illinois, Indiana, Michigan and Minnesota. Overall, venture firms invested \$1.2 billion in 2007, a 55 percent increase compared with the year before.

The total investments in 12 Wisconsin firms in 2007 were up 123 percent compared with the \$25.2 million investment in seven firms in 2006.

In Wisconsin, Deltanoid closed on a \$12 million financing round in December. The round was led by the **Wisconsin Alumni Research Foundation**, an independent, nonprofit technology transfer organization that supports research at UW-Madison. **Mason Wells**, a Milwaukee private equity firm, and **Venture Investors**, a provider of seed and early stage venture capital in Madison, also participated in the round. All of the groups had previously invested in Deltanoid.

In the largest financing deal for 2007, **OpGen Inc.**, a Madison company providing gene mapping technology, raised \$23.6 million in equity financing in a round that closed in September. The round was led by **CHL Medical Partners**, **Highland Capital Partners** and **Versant Ventures**, with previous investor Mason Wells also participating.

The figures don't include **TomoTherapy Inc.**'s (NASDAQ: TOMO) initial public offering of common stock in May 2007, which raised \$256 million for the Madison developer of targeted cancer radiation treatment systems. The total also doesn't include \$13 million raised by **Collectar Inc.** in a private offering that the company announced Jan. 8. Collectar is a privately held Madison company that develops products to detect, treat and monitor cancer.