



MICHBIO

Tuesday, July 24, 2007

Midwest Health Care Startups Raise \$726 Million In 2007 - Close To 2006 Total

CLEVELAND - Midwest health care startups reported a stunning \$726 million in total investments across 59 companies in the first half of 2007, nearly equaling the total invested in 2006.

This news comes from the BioEnterprise Midwest Health Care Venture Investment Report. Ohio, Minnesota, and Indiana led all Midwestern states in health care venture capital attraction, and more than two-thirds of the region's total investment. Michigan reported \$63.4 million in investments, a more than 10 fold increase from the \$5.6 million reported during the first half of 2006.

"Coastal investors have clearly discovered the Midwest's abundance of investment opportunities," said Baiju R. Shah, President of BioEnterprise. "The investment deals are getting larger and each region is seeing more East and West Coast venture firms participate."

Ohio is leading the pack, with health care ventures attracting a record \$244.3 million so far in 2007. Those deals include large financings such as Athersys (\$65 million), Franklin & Seidelmann (\$25 million) and numerous others. Minnesota (\$126.0 million) and Indiana (\$117.8 million) follow Ohio. Two startups in those states received particularly significant investments—Minnesota's CVRx (\$65 million) and Indiana's Targanta Therapeutics (\$70 million).

"Leading coastal venture capital firms, firms such as Burrill & Company, MPM, New Enterprise Associates, Oak Investments, Orbimed, Polaris Ventures, Psilos Group and Radius Ventures, are making Midwest investments," said Shah. "Midwest deals have gained notice because of successful Midwest industry exits--IPOs and acquisitions, and the significant amount of public funds spent in developing rich pipelines by Midwestern States."

Other Midwestern states reporting health care investments include:

Michigan - \$63.4 million

Illinois - \$42.5 million

Missouri - \$25.6 million

Wisconsin - \$16.11 million

Kentucky - \$5 million

In addition, Western Pennsylvania companies attracted \$85.4 million in financing. Iowa, Kansas and West Virginia did not report financings.

By industry sub sector, the equity funding breaks down this way:

Biopharmaceutical companies: \$447 million

Medical device companies: \$148 million

Health care software and service companies: \$132 million

The Midwest Health Care Venture Investment Report includes all reported numbers. For complete state and Midwest region results, see the attached table. To view additional data about Midwest health care business activity click on BioEnterprise.Com.