

Ganeden Biotech snags \$12 million investment

Posted by [Mary Vanac](#) November 05, 2007 13:53PM

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Ganeden Biotech Inc. in Mayfield Heights has raised its first institutional investment -- \$12 million -- from a U.S. private equity firm and a Dutch nutritional supplement and ingredient company, as well as from a small group of individual investors.

[Ganeden](#) is a probiotics company, making several dietary supplements that contain "good bacteria." The bacteria can help digestion or remedy digestive disorders, such as lactose intolerance and irritable bowel disease.

Ganeden's proprietary bacteria strains are particularly hardy and last longer on store shelves, survive gastric acid in the stomach, and withstand the high temperatures and pressures of processing better than some other strains.

The company currently sells its digestive health products under the names Sustenex and Digestive Advantage through more than 40,000 retail stores in the United States.

Ganeden also runs a licensing business to exploit the potential of its bacteria strains in other applications, such as animal feed, functional foods, feminine hygiene products and environmental products.

Through its licensing business, the company is in negotiations and clinical trials with more than 50 consumer product and animal feed companies to employ its probiotics in functional foods and dietary supplements, according to [Capital Resource Partners](#), the Boston private equity firm that invested \$8.5 million in Ganeden subordinated debt in the recent deal.

Ganeden also makes a topical probiotic cream to treat toenail fungus.

Ganeden is expected to use the investment from [DSM Venturing](#) in Heerlen, Netherlands, and Capital Resource Partners to continue development of its nutrition cluster, which includes human and animal nutrition products. DSM's \$3.5 million investment in Ganeden took the form of preferred stock.

Read DSM's release on its Ganeden investment [here](#). Also, read a release from Capital Resource Partners [here](#).