

News from



Midwest Health Care Startups Raise \$402 Million in First Half of 2009

Minnesota, Ohio, and Michigan Lead States

CLEVELAND, July 24, 2009 – Midwest health care startups reported \$402 million in total investments across 81 companies in the first half of 2009, according to the [BioEnterprise Midwest Health Care Venture Investment Report](#). The numbers are down nine percent compared to the levels of investment seen in the first half of 2008 and significantly lower than 2007's record-setting pace. According to the National Venture Capital Association data released last week, venture investments nationally are down by more than 50% compared to 2008 and are at levels not seen since 1996.

“While Midwest health care venture investment is down from 2008, the region's companies are currently faring better than their national peers,” said Baiju R. Shah, President & CEO of BioEnterprise. “However, the venture funding environment remains very challenging for Midwest health care start-ups.”

Minnesota continued to lead the way in financings, attracting \$118 million across twelve health care ventures. Ohio and Michigan followed with ventures in those regions attracting \$87 million and \$65 million respectively. The report aggregates venture investment in 9 Midwest states and Western Pennsylvania.

By sector, the equity funding was as follows:

- Biopharmaceutical companies: \$199 million
- Medical device companies: \$137 million
- Health care software and service companies: \$66 million

The Midwest Health Care Venture Investment Report includes all reported numbers and regionally collected data. For complete state and region results across the Midwest, see the attached table.

To view additional data about Midwest health care business activity visit <http://www.bioenterprise.com/reports/index.html>.

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Table: Midwest Health Care Venture Investment (By State)

State	First Half 2009		First Half 2008		First Half 2007		First Half 2006	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Illinois	42.6	4	34.2	4	42.5	2	101.6	8
Indiana	8.9	4	41.3	2	117.8	5	9.5	4
Iowa	3.0	1	4.0	1	-	-	-	0
Kansas	0.2	1	8.0	1	-	-	-	0
Kentucky	0.0	0	13.4	3	5.0	1	0.5	1
Michigan	64.7	5	73.5	8	63.4	3	5.6	3
Minnesota	117.6	12	106.4	9	126.0	9	61.0	7
Missouri	51.0	3	25.8	6	41.6	4	37.2	7
Ohio*	86.9	33	84.0	20	244.3	26	47.9	14
Western Pennsylvania	18.6	12	25.1	6	85.4	8	20.1	3
Wisconsin	9.0	5	27.0	5	16.1	6	3.1	2
Total	402.5	81	442.6	65	742.1	64	286.6	49

Table: Midwest Health Care Venture Investment (By Region)**

Region	First Half 2009		First Half 2008		First Half 2007	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Chicago	42.6	4	34.2	4	42.5	2
Indianapolis	6.9	3	41.3	2	102.8	4
West Lafayette	2.0	1	-	-	15.0	1
Louisville	-	-	13.4	3	5.0	1
Detroit-Ann Arbor	47.5	3	61.0	5	63.4	3
Minneapolis	116.9	11	106.4	9	126.0	9
St. Louis	13.0	2	25.8	6	41.6	4
Kansas City*	38.2	2	8.0	1	-	-
Cincinnati*	46.6	4	19.2	2	33.8	4
Cleveland	30.5	17	59.9	10	199.1	16
Columbus	9.6	11	5.0	8	11.5	6
Pittsburgh	18.6	12	25.1	6	85.4	8
Wisconsin	9.0	5	27.0	5	16.1	6

* Border MSAs such as Kansas City and Cincinnati include deals from both states in those geographies; deals are aggregated into state totals based on the MSA's principal state

**Regions' totals do not equal states as not all areas are included in list of regions

Sources: Compiled by BioEnterprise team from Venture Wire, Private Equity Week, Wall Street Journal, Venture Source, SEC Filings, company press releases, www.biospace.com, and Midwest bioscience organizations and institutions.

About BioEnterprise

[BioEnterprise](#) is a business formation, recruitment, and acceleration effort designed to support the growth of bioscience companies. Located in Cleveland, BioEnterprise provides management counsel and support services to health care companies. BioEnterprise partners are Case Western Reserve University, Cleveland Clinic, University Hospitals, Summa Health System, and the BioInnovation Institute in Akron. Additional technology partners include the NASA Glenn Research Center, Cleveland State University, NorTech, and BioOhio.

The initiative comprises the collective activities of BioEnterprise and its partners' commercialization offices: the Case Office of Technology Transfer, Cleveland Clinic Innovations, University Hospitals Case Medical Center - Center for Clinical Research and Summa Enterprise Group. The combined efforts of these groups has created, recruited, and accelerated more than 80 companies in seven years.

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