

News from



Midwest Health Care Startups Raise \$780 Million in 2009 *Minnesota Leading State*

Cleveland, OH, January 29, 2010 – Midwest health care startups attracted \$780 Million in new investments across 156 companies in 2009 according to the [BioEnterprise Midwest Health Care Venture Investment Report](#). While the total number of investments is comparable to 2008, the funding level represents a 26% drop from 2008, reflecting a similar drop nationally in health care venture investing. Minnesota companies collectively attracted the most investment dollars within the Midwest.

“This was a difficult year for emerging health care ventures in the Midwest and nationally,” said Baiju R. Shah, President & CEO of BioEnterprise, the Cleveland-based biomedical venture developer. “The global recession combined with the industry uncertainties related to U.S. health care reform dampened investment.”

By sector, the 2009 equity funding was allocated as follows:

- Medical device companies: \$264 million (34%)
- Biopharmaceutical companies: \$378 million (48%)
- Health care software and service companies: \$139 million (18%)

“While the dollars to biotech companies are larger, the number of companies attracting capital is balanced between biotech and medical devices,” Shah continued. “This reflects the industry balance in the Midwest as compared to the coasts.”

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>.

Table: Midwest Health Care Venture Investment (By State)

State	2009		2008		2007		2006		2005	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Illinois	38.9	8	97.3	13	125.5	7	101.6	12	39.2	7
Indiana	76.3	14	75.4	7	135.6	10	37.2	8	23.1	4
Iowa	36.8	3	4.0	1	-	-	-	-	-	-
Kansas	4.3	5	16.9	9	56.6	6	-	-	-	-
Kentucky	97.3	7	19.2	6	32.0	4	51.4	4	19.3	2
Michigan	102.2	14	105.0	12	56.2	5	135.5	11	52.9	8
Minnesota	199.0	23	318.9	22	296.1	25	233.9	22	151.0	18
Missouri	65.8	8	50.2	11	69.6	7	39.2	10	71.9	9
Ohio	105.4	40	189.1	43	295.5	44	113.9	39	185.4	18
Western Pennsylvania	37.8	24	126.2	33	101.4	17	54.4	22	58.3	10
Wisconsin	16.2	10	48.5	8	56.2	12	25.2	7	39.3	6
Total	780.0	156	1,050.5	165	1,224.7	137	792.3	135	640.4	82

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

Region	2009		2008		2007		2006	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Chicago	38.9	8	97.3	13	125.5	7	101.6	12
Indianapolis	41.2	9	73.0	6	113.6	8	18.4	6
West Lafayette	28.2	3	2.5	1	22.0	2	18.8	2
Louisville	2.5	4	13.4	3	6.2	2	11.4	3
Detroit-Ann Arbor	68.8	7	89.0	8	56.2	5	98.3	8
SW Michigan	14.5	5	16.0	2	-	-	6.7	2
Minneapolis	199.0	23	318.9	22	296.1	25	233.9	22
St. Louis	27.8	7	47.2	10	57.6	6	20.2	9
Kansas City*	42.3	6	19.9	10	68.6	7	19.0	1
Cincinnati*	121.2	8	19.2	2	64.6	10	13.6	4
Cleveland	66.3	21	163.5	31	241.8	28	87.9	23
Columbus	12.4	13	6.4	10	14.2	7	12.4	12
Pittsburgh	37.8	24	126.2	33	101.4	17	54.4	22
Wisconsin	16.2	10	48.5	8	56.2	12	25.2	7

* 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, and www.biospace.com.

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 Austen 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 90 companies in seven years.

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