

News from



## **Midwest Health Care Startups Raise \$810 Million in 2011** *Minnesota, Ohio, and Missouri Leading States*

**Cleveland, OH, January 30, 2012** – Midwest health care companies attracted \$810 Million in new investments across 178 companies in 2011 according to the [BioEnterprise Midwest Health Care Venture Investment Report](#). The total dollars attracted is up by ten percent from 2010; however it remains below the peak year of 2007. Minnesota (\$223 million), Ohio (\$178 million), and Missouri (\$169 million) led Midwestern states in attracting investment dollars; Minneapolis, Cleveland, and St. Louis were the leaders among Midwest regions.

“As in other regions of the country, overall health care venture activity has increased slightly but remains below historical highs,” said Baiju R. Shah, President & CEO of BioEnterprise, the Cleveland-based biomedical venture developer.

By sector, the 2011 equity funding was allocated as follows:

- Medical device companies: \$295 million (36%)
- Health care IT and service companies: \$259 million (32%)
- Biopharmaceutical companies: \$251 million (31%)

“While medical devices continues to be the Midwest’s strongest sector, investors have shown an unusually high level of investment interest in Health IT opportunities. Venture investors are drawn by both providers and payers searching for health IT applications that can improve effectiveness and efficiency of their enterprises,” said Shah. “At the same time, Midwest biotechs are suffering from the national venture industry’s shift away from early-stage biotech investing.”

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 [www.bioenterprise.com/Reports/](http://www.bioenterprise.com/Reports/).

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

State	2011		2010		2009		2008		2007	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Illinois	44.2	9	160.9	11	38.9	8	97.3	13	125.5	7
Indiana	14.1	9	25.05	16	76.3	14	75.4	7	135.6	10
Iowa	-	-	7.3	1	36.8	3	4.0	1	-	-
Kansas	18.5	2	14.5	13	4.3	5	16.9	9	56.6	6
Kentucky	11.5	7	11.4	4	97.3	7	19.2	6	32.0	4
Michigan	30.8	16	76.3	12	102.2	14	105.0	12	56.2	5
Minnesota	223.3	24	138.7	20	199.0	23	318.9	22	296.1	25
Missouri	168.7	9	19.9	9	65.8	8	50.2	11	69.6	7
Ohio	177.8	67	147.2	47	105.4	40	189.1	43	295.5	44
Western Pennsylvania	67.0	25	86.2	20	37.8	24	126.2	33	101.4	17
Wisconsin	53.8	9	51.3	9	16.2	10	48.5	8	56.2	12
<b>Total</b>	<b>809.6</b>	<b>178</b>	<b>738.9</b>	<b>161</b>	<b>780.0</b>	<b>156</b>	<b>1,050.5</b>	<b>165</b>	<b>1,224.7</b>	<b>137</b>

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

Region	2011		2010		2009		2008		2007	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Chicago	44.2	9	160.9	11	38.9	8	97.3	13	125.5	7
Indianapolis	11.5	7	18.5	9	41.2	9	73.0	6	113.6	8
Louisville	11.4	6	11.4	4	2.5	4	13.4	3	6.2	2
Detroit-Ann Arbor	23.0	10	46.5	8	68.8	7	89.0	8	56.2	5
SW Michigan	7.8	6	29.8	4	14.5	5	16.0	2	-	-
Minneapolis	223.3	24	138.7	20	199.0	23	318.9	22	296.1	25
St. Louis	112.7	8	18.9	9	27.8	7	47.2	10	57.6	6
Kansas City*	18.5	2	15.4	13	42.3	6	19.9	10	68.6	7
Cincinnati*	37.3	6	8.5	4	121.2	8	19.2	2	64.6	10
Cleveland	124.7	40	135.1	33	66.3	21	163.5	31	241.8	28
Columbus	15.1	19	3.1	5	12.4	13	6.4	10	14.2	7
Pittsburgh	67.0	25	86.2	20	37.8	24	126.2	33	101.4	17
Wisconsin	53.8	9	51.3	9	16.2	10	48.5	8	56.2	12

\* 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](http://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 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 ASumma Enterprise Group. The combined efforts of these groups has created, recruited, and accelerated more than 120 companies in nine years.

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