



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

4th Quarter, 2011 – United States

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Summary

Life Science companies secured \$2.05 billion in venture capital financing during the fourth quarter of 2011, representing an increase of 8% versus the previous quarter. The funding was allocated between 214 companies, a 6% increase versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$771 million among 83 companies. The Biotechnology sector came in second with \$768 million, representing a 21% increase versus the previous quarter. Pharmaceutical startups received \$507 million between 44 companies, a 58% quarter over quarter increase in amounts funded.

Funding Activity

Biotechnology

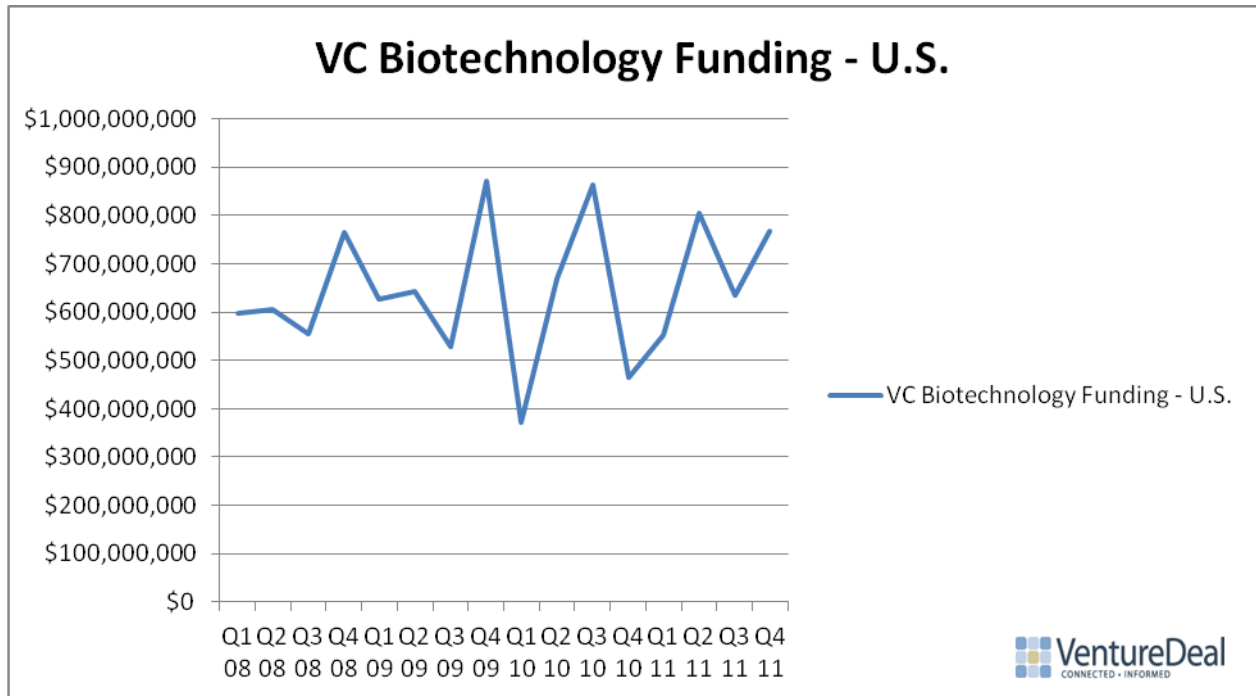
Biotechnology funding amounts showed a marked uptick versus the previous quarter, increasing 21% during the quarter. The number of companies funded also increased, by 21% versus the previous quarter.

The largest venture financing during the quarter was for Los Angeles, California-based [Puma Biotechnology](#), which received \$55 million in institutional venture capital and private equity investment. The company said it would use the financing for continued clinical development of Neratinib, its drug candidate for the treatment of breast cancer and other solid tumors.

Strategic investors Abbott Biotech Ventures and Merck Capital were active during the quarter, participating in separate financings. Abbott participated in the second round funding of [AuraSense Therapeutics](#) and its continued development of Spherical Nucleic Acid constructs.

Merck Capital co-invested in [Aviir's](#) \$30 million follow-on financing to fund commercialization of its TruRisk cardiac risk assessment technology.

Chart 1 - Biotechnology Funding - See Next Page

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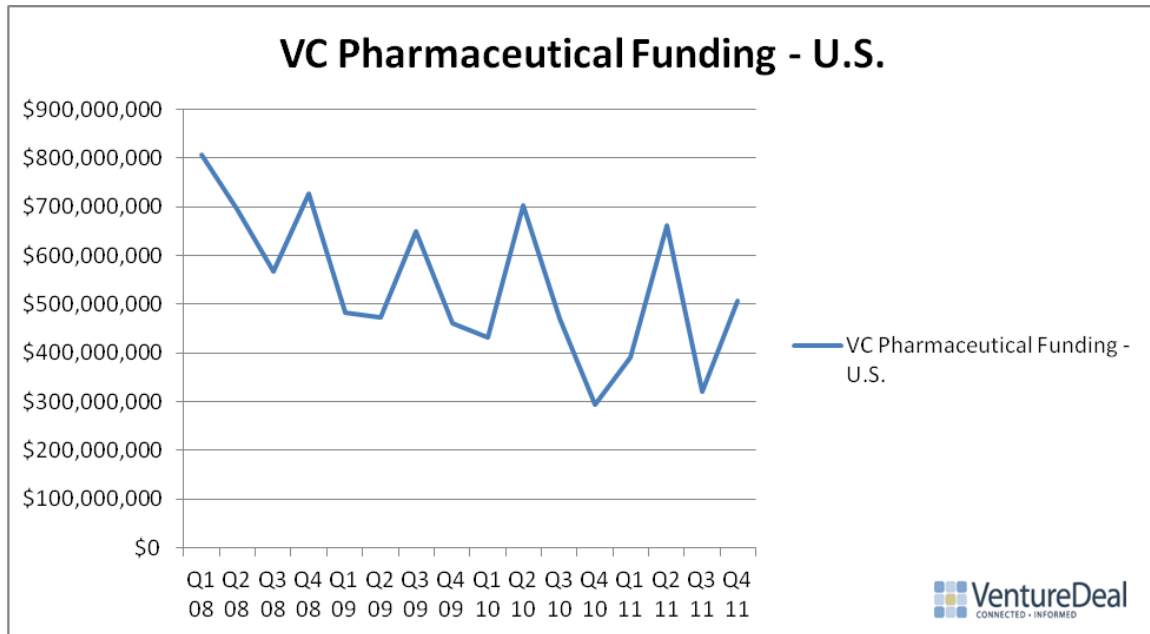
Pharmaceuticals

Pharmaceutical fundings increased to \$507 million, representing a 58% increase in amounts funded among 13% greater companies versus the previous quarter. The average funding round size was \$11.5 million versus \$8.2 million in the previous quarter, a percentage increase of 40%.

South San Francisco, California-based [Portola Pharmaceuticals](#) raised the largest financing of the quarter, garnering \$89 million from a syndicate including Asia-based Temasek Holdings. The company said it would use the proceeds to support further clinical development of its lead compound designed to reverse anticoagulant activity in patients treated with Factor Xa inhibitors.

[Putney](#) received \$21 million in series C financing from venture capital firms and strategic investor Safeguard Scientifics to help it continue to develop high-quality, generic drugs for pets.

Chart 2 – Pharmaceutical Funding



Medical Devices

Venture capital funding for Medical Device companies showed a significant drop of 21% in amounts funded. The number of companies funded decreased to 83, an 8% decrease versus the previous quarter.

There were 5 disclosed early stage fundings (series A), totaling \$19.7 million and which included the following companies:

Intimate Bridge	\$4.3 million
Tangent Medical	\$4.5 million
Clear Catheter	\$4.9 million
OvaScience	\$6.0 million
Foundation Medicine	\$ Undisclosed

Two companies received \$65 million in funding each. Redwood City, California-based [Heartflow](#) has developed the ability to provide superior data about blood flow within coronary arteries.

Irvine, California-based [AcuFocus](#) received \$65 million from a syndicate of venture capital and strategic investors to help treat near vision loss.

[BeneChill](#) secured \$14.8 million according to an SEC regulatory filing to help fund its technology that helps reduce tissue damage in patients with cerebral ischemia by rapidly cooling targeted areas of the body. The company is still seeking an additional \$10.75 million, according to the filing.

Chart 3 - Medical Device Funding

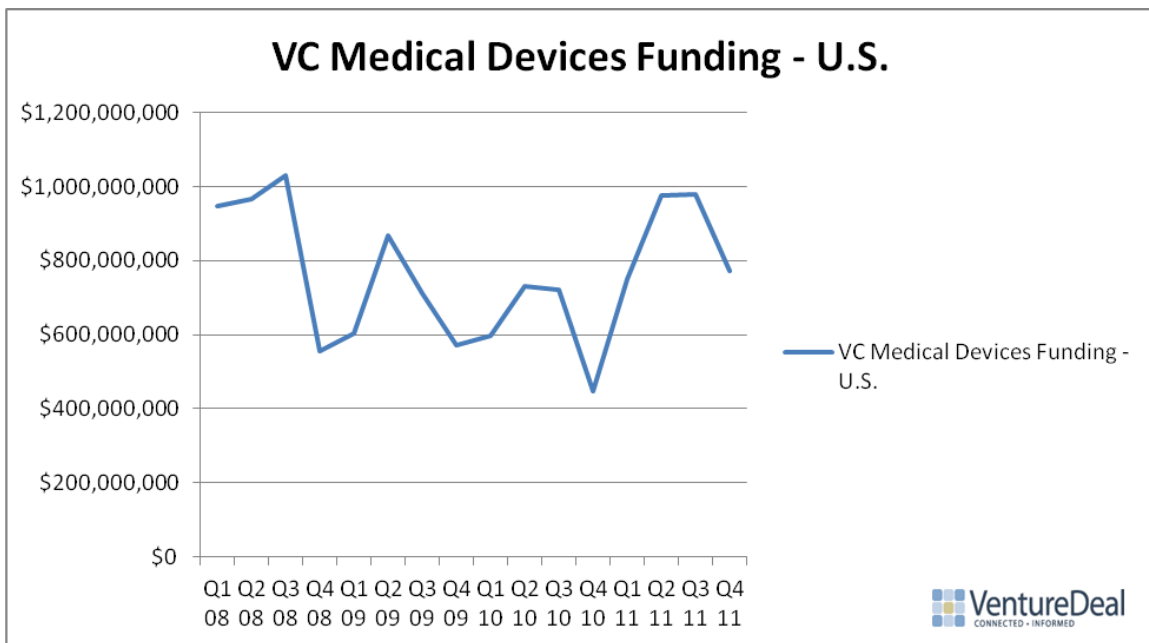


Table 1 - All Sectors - See Next Page

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Venture Funding Activity – 4th Quarter 2011

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$768 million	+ 21%	87	+ 21%
Pharmaceuticals	\$507 million	+ 58%	44	+ 13%
Medical Devices	\$771 million	- 21%	83	- 8%
Total	\$2.05 billion	+ 8%	214	+ 6%

Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the VentureDeal.com database. VentureDeal is a curated venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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