

# Venture Capital Funding Quarterly

## **Biotechnology · Pharmaceuticals Medical Devices**

1<sup>st</sup> Quarter, 2009 – United States

Publisher  
**VentureDeal**

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## Summary

Life Science companies secured \$1.72 billion in venture capital financing during the first quarter of 2009, representing a 16% decrease versus the fourth quarter of 2008. This continues the downward trend of funding for the three sectors of Biotechnology, Medical Devices and Pharmaceuticals. The funding was allocated between 176 companies, a 17% decrease versus the previous quarter in the aggregate.

The Biotechnology sector received the most amount of funding by a slight margin, raising \$628 million among 72 companies. The Medical Device sector came in second with \$604 million, representing a 9% decrease versus the previous quarter, and continuing its previous downward trend. Pharmaceutical startups received \$484 million between 43 companies, a 33% decrease in amounts funded.

## Funding Activity

### Biotechnology

Biotechnology funding reversed its previous upward trend by posting significantly decreased funding amounts and numbers of companies funded. The largest venture financing during the quarter was [Sangart's](#) \$50 million sixth round. The company researches and commercializes technologies related to oxygen transport agents.

[BioVex](#) also completed a sixth round of funding, receiving \$40 million from a large syndicate of venture capital firms. The company said it would use the funding proceeds to begin its pivotal Phase III clinical trials for its lead cancer product for metastatic melanoma – OncoVEX GM-GSF. BioVex claims to have had "an unprecedented number of durable complete remissions" in Phase II trials for the promising candidate.

## Pharmaceuticals

Pharmaceutical fundings decreased to \$484 million, representing a 33% decrease in amounts funded among a 12% decrease in the number of companies funded versus the previous quarter.

Corporate investors were active in the sector. Novartis and Roche invested \$8.4 million in the series A round for [Alios BioPharma](#). Alios is developing a complementary set of platform technologies for a variety of viral diseases.

[Anacor Pharmaceuticals](#) closed a new financing round at \$50 million in the largest financing of the quarter from a large syndicate including corporate investor [GlaxoSmithKline](#). Anacor said it would use the funding proceeds to further develop its product pipeline using its boron chemistry platform, which it says is helpful in the treatment of inflammatory and infectious diseases.

## Medical Devices

Venture capital funding for Medical Device companies continued its previous quarterly decline, with 61 companies receiving \$604 million during the quarter, a 9% dollar volume decrease.

There were a significant number of third round fundings (Series C), which included the following companies:

<a href="#">Ardian</a>	\$47 Million
<a href="#">Aureon Labs</a>	\$23 Million
<a href="#">WaveTec</a>	\$20 Million
<a href="#">Primaeva</a>	\$6 Million
<a href="#">GI Dynamics</a>	\$15 Million
<a href="#">SynergEyes</a>	\$13 Million

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[Ardian](#) raised \$47 million in the largest funding round of the quarter, led by corporate investor [Medtronic](#) and including other undisclosed investors. Ardian has developed what it calls a unique technology to help block the renal sympathetic nerves that contribute to hypertension.

[Acclarent](#) landed \$26 million in its fourth round from strategic investor [Johnson & Johnson Development Corporation](#) and existing venture capital investors to continue to commercialize its Balloon Sinuplasty technology for the treatment of chronic sinusitis.

[OrthAlign](#) secured \$7.2 million in its first financing round from a syndicate of institutional venture capital investors. The company will use the funding to finalize product development and bring to market its surgical knee alignment device.

Table 1

### Venture Funding Activity– 1<sup>st</sup> Quarter 2009

Industry	Total Amount Funded	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$628 Million	- 18 %	72	- 12 %
Pharmaceuticals	\$484 Million	- 33 %	43	- 12 %
Medical Devices	\$604 Million	- 9 %	61	- 25 %
<b>Total</b>	<b>\$1.72 Billion</b>	<b>- 16 %</b>	<b>176</b>	<b>- 17 %</b>

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## Notes

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

The information sources used were the [VentureDeal.com](http://VentureDeal.com) database. VentureDeal is a 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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