



Venture Capital Funding Quarterly

Biotechnology • Pharmaceuticals Medical Devices

1st Quarter, 2011 – United States

Publisher
[VentureDeal](#)

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Summary Life Science companies secured \$1.7 billion in venture capital financing during the first quarter of 2011, representing an increase of 42% versus the previous quarter. The funding was allocated between 197 companies, a 9% increase versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$749 million among 94 companies. The Biotechnology sector came in second with \$552 million, representing a 19% increase versus the previous quarter. Pharmaceutical startups received \$392 million between 34 companies, a 33% QoQ increase in amounts funded.

Funding Activity

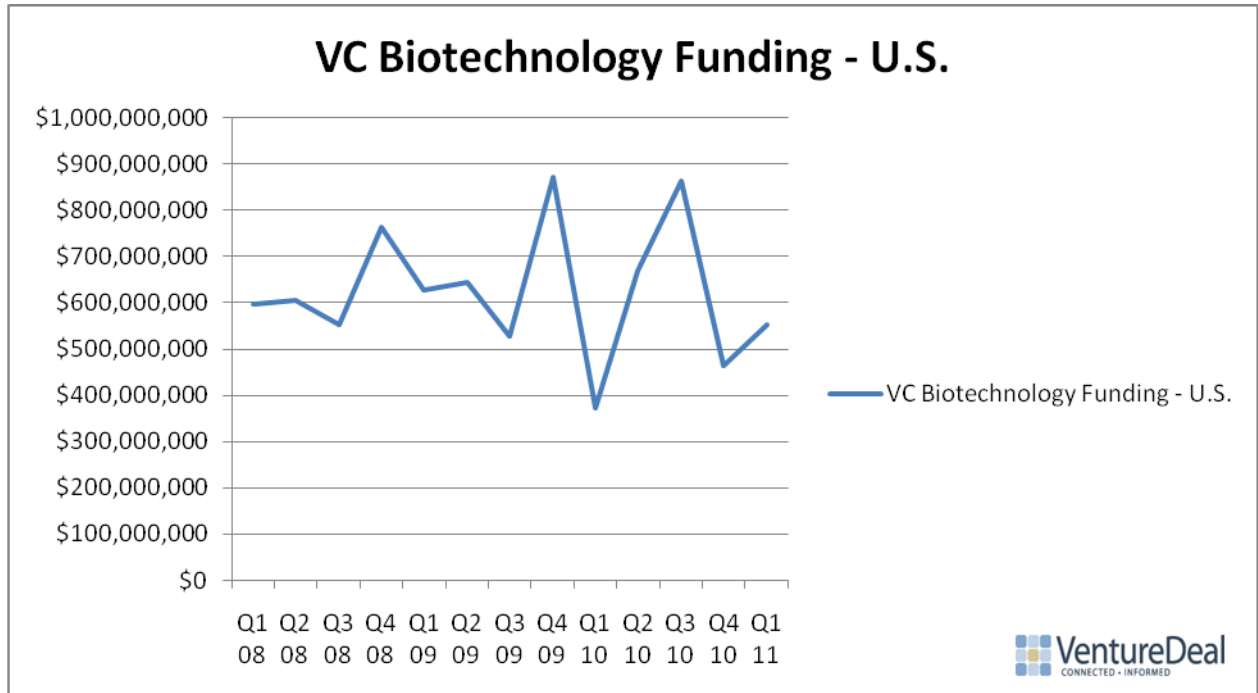
Biotechnology

Biotechnology funding amounts rebounded significantly versus the previous quarter, increasing 19% during the quarter to reverse a recent quarterly downtrend. The number of companies funded increased by 8% versus the previous quarter.

The two largest venture financings during the quarter were for [Chimerix](#) and [Genomatica](#), with each receiving \$45 million. Chimerix is developing technology that enhances oral availability of medicines from bioactive molecules. Genomatica is commercializing "innovative bio-manufacturing processes for the sustainable production of high-value chemical products."

Strategic investor [Johnson & Johnson Development Corporation](#) was active during the quarter, participating in the \$35 million series B round for [Genocea Biosciences](#). The company said it would use the financing to fund initial clinical development for its therapeutic vaccine for herpes simplex virus type 2 infections. The large investor syndicate also included other corporate, venture capital and private equity investors.

Chart 1 - Biotechnology Funding - See Next Page

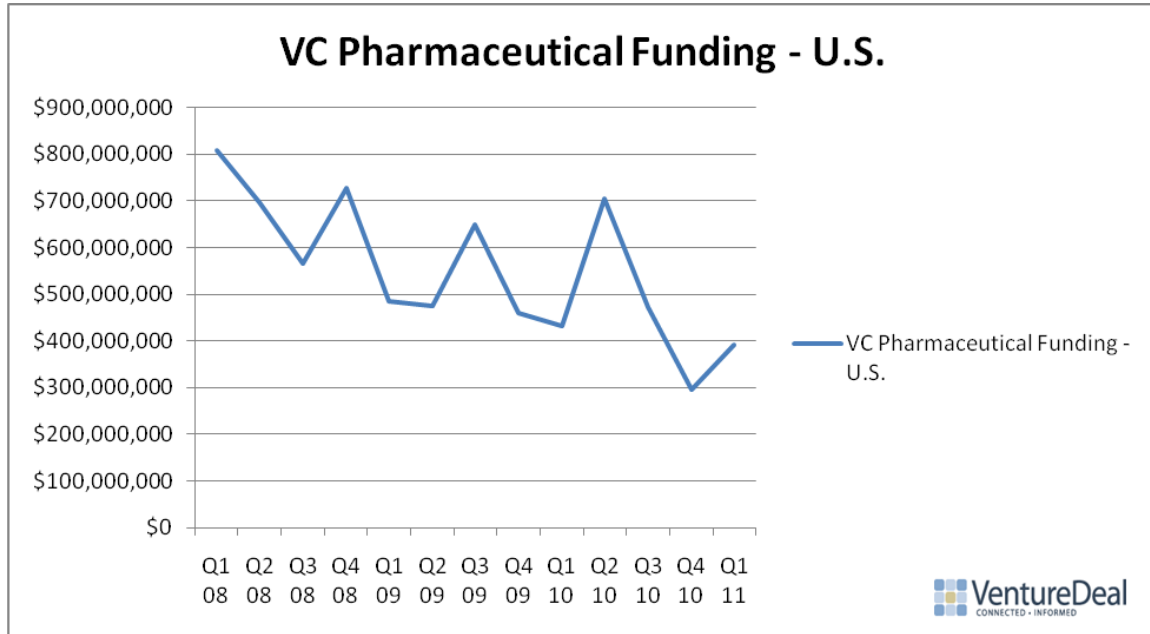


Pharmaceuticals

Pharmaceutical fundings increased to \$392 million, representing a 33% increase in amounts funded among 11% fewer companies versus the previous quarter. The average funding round size was \$11.5 million versus \$7.8 million in the previous quarter, a percentage increase of 47%.

[Horizon Pharma](#) raised the largest financing of the quarter, garnering \$35 million in venture capital debt from an undisclosed investor. Horizon recently received FDA approval for its mild to moderate pain management treatments. The company is backed by a syndicate of venture capital firms including top-tier life science investor [Essex Woodlands Health Ventures](#).

[Roche Venture Fund](#) was among the participants in [Conatus Pharmaceuticals'](#) series B round totaling \$20 million. Conatus said it would use the proceeds to advance the clinical development of its hepatitis C drug candidate that it licensed from Roche. The company is based in San Diego, California.

Chart 2 – Pharmaceutical Funding


Medical Devices

Venture capital funding for Medical Device companies increased significantly versus the previous quarter, with a 68% increase in amounts funded. The number of companies funded increased to 94, a 19% increase versus the previous quarter.

There were 6 disclosed later stage fundings (series D & E), totaling \$94 million and which included the following companies:

EBR Systems	\$5 million	Series D
VertiFlex	\$14 million	Series D
Ocular Therapeutix	\$14 million	Series D
Sonoma Orthopedic	\$22 million	Series D
Celleration	\$8 million	Series E
VisionCare Ophthalmic	\$31 million	Series E

Cardiovascular genomic diagnostics company [CardioDx](#) raised the largest financing during the quarter, receiving \$60 million from a large syndicate of venture capital and private equity firms. The company said it would use the funding to expand reimbursement coverage for its blood-based gene expression test for obstructive coronary artery disease and to continue development of future products.

In the orthopedic space, Ohio-based [OrthoHelix Surgical Designs](#) raised \$750,000 in an unpublished round from the [River Cities Capital Funds](#). The company is developing implants and instruments for small bone surgery applications.

Chart 3 - Medical Device Funding

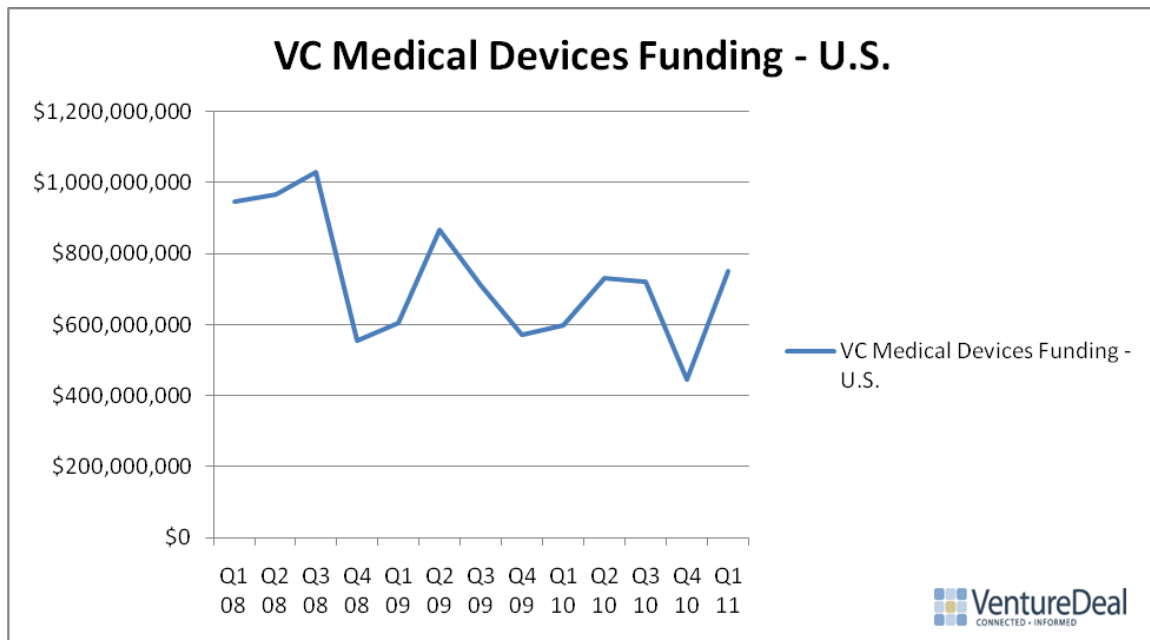


Table 1 - All Sectors - See Next Page

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Venture Funding Activity – 1st Quarter 2011

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Biotechnology	\$552 million	+ 19%	69	+ 8%
Pharmaceuticals	\$392 million	+ 33%	34	- 11%
Medical Devices	\$749 million	+ 68%	94	+ 19%
Total	\$1.7 Billion	+ 42%	197	+ 9%

Notes

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

The information source used was good job 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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