



# Venture Capital Funding Quarterly

## **Biotechnology • Pharmaceuticals Medical Devices**

2<sup>nd</sup> Quarter, 2011 – United States

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## Summary

Life Science companies secured \$2.4 billion in venture capital financing during the second quarter of 2011, representing an increase of 41% versus the previous quarter. The funding was allocated between 235 companies, a 19% increase versus the previous quarter in the aggregate.

The Medical Devices sector received the most amount of funding, raising \$976 million among 98 companies. The Biotechnology sector came in second with \$806 million, representing a 46% increase versus the previous quarter. Pharmaceutical startups received \$663 million between 51 companies, a 69% QoQ increase in amounts funded.

## Funding Activity

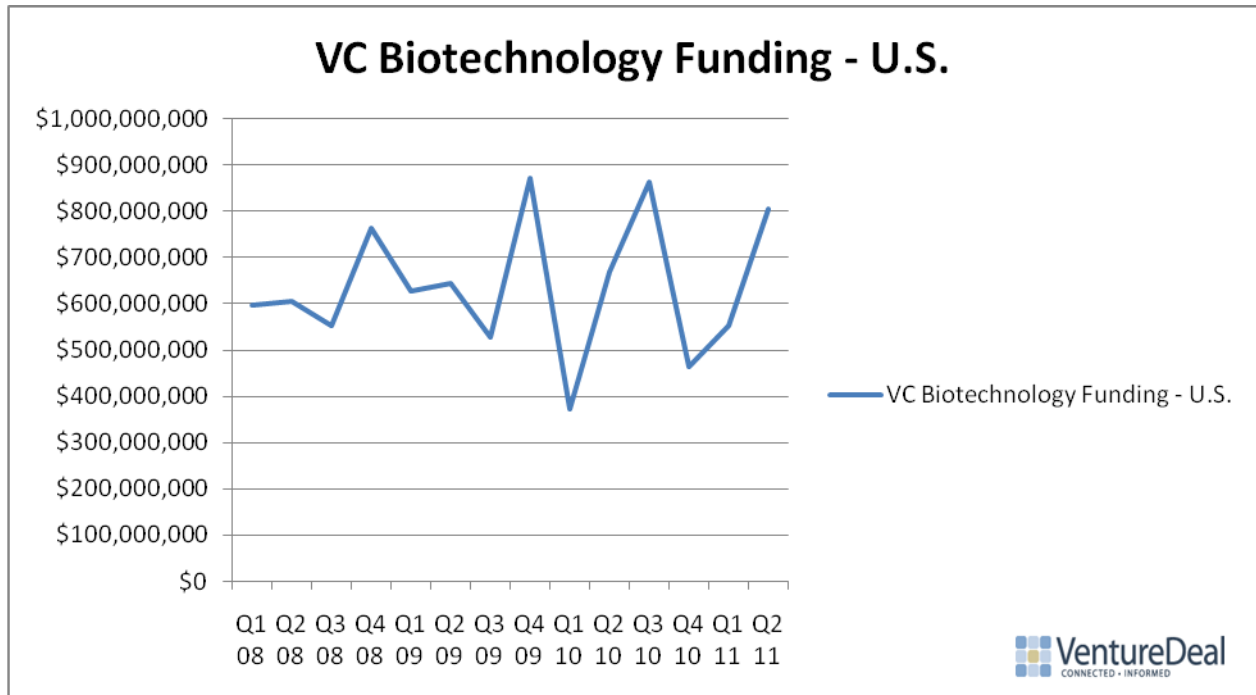
### Biotechnology

Biotechnology funding amounts continued to show significant increases versus the previous quarter, increasing 46% during the quarter. The number of companies funded increased by 25% versus the previous quarter.

The largest venture financing during the quarter was for Blacksburg, Virginia-based [Intrexon](#), which received \$100 million in its fifth institutional venture capital investment round. Intrexon is a synthetic biology company focused on reducing the time cost and risks in biological and cellular systems engineering. The company said it would use the financing in part to expand the development of its UltraVector platform.

Strategic investor [SR One](#) was active during the quarter, participating in the \$16.2 million series D financing for [HTG Molecular](#). HTG said the funding proceeds would be used for marketing efforts of its multiplex gene expression testing platform. The company is backed by a large syndicate of venture capital, private equity and corporate investors.

### **Chart 1 - Biotechnology Funding - See Next Page**

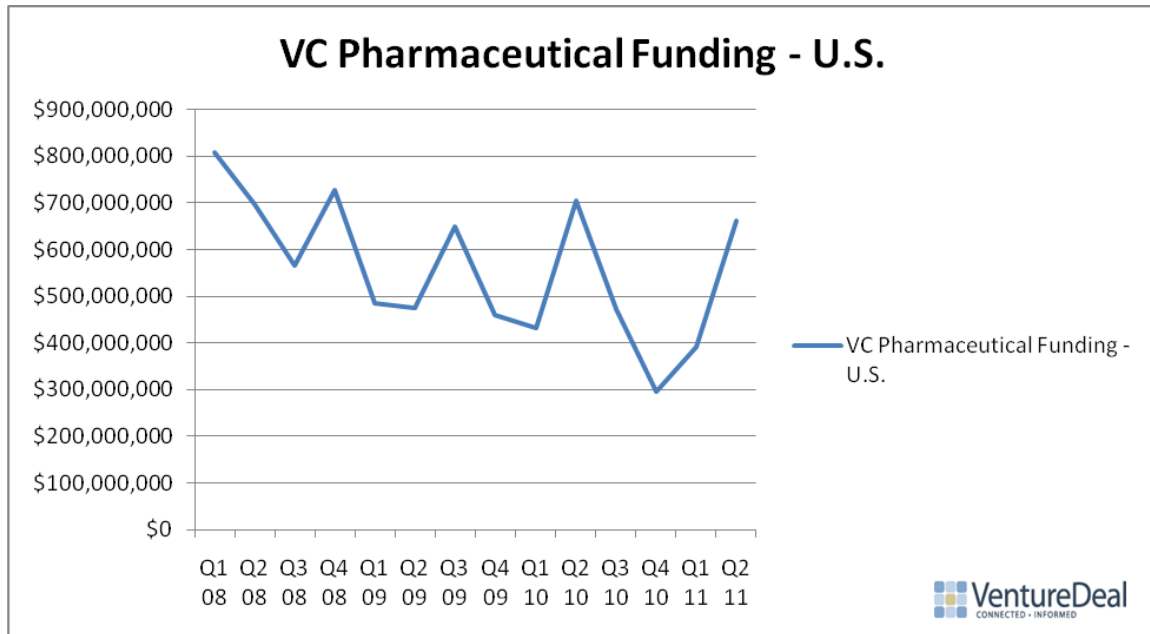
**Chart 1 - Biotechnology Funding**


## Pharmaceuticals

Pharmaceutical fundings increased to \$663 million, representing a 69% increase in amounts funded among 50% additional companies versus the previous quarter. The average funding round size was \$13 million versus \$11.5 million in the previous quarter, a percentage increase of 13%.

Waltham, Massachusetts-based [Tesar](#) raised the largest financing of the quarter, garnering \$101 million in series B venture capital from a syndicate of top-tier venture capital firms. Tesaro is developing compounds for the treatment of patients with non-small cell lung cancer.

[Radius Health](#) received \$91 million in venture capital equity and debt financing from [GE Healthcare Financial Services](#), [Oxford Finance Corporation](#) and [BB Biotech Ventures](#). Radius is preparing for Phase III clinical trials of its subcutaneous injection osteoporosis treatment.

**Chart 2 – Pharmaceutical Funding**


## Medical Devices

Venture capital funding for Medical Device companies increased significantly versus the previous quarter, with a 30% increase in amounts funded. The number of companies funded increased to 98, a 4% increase versus the previous quarter.

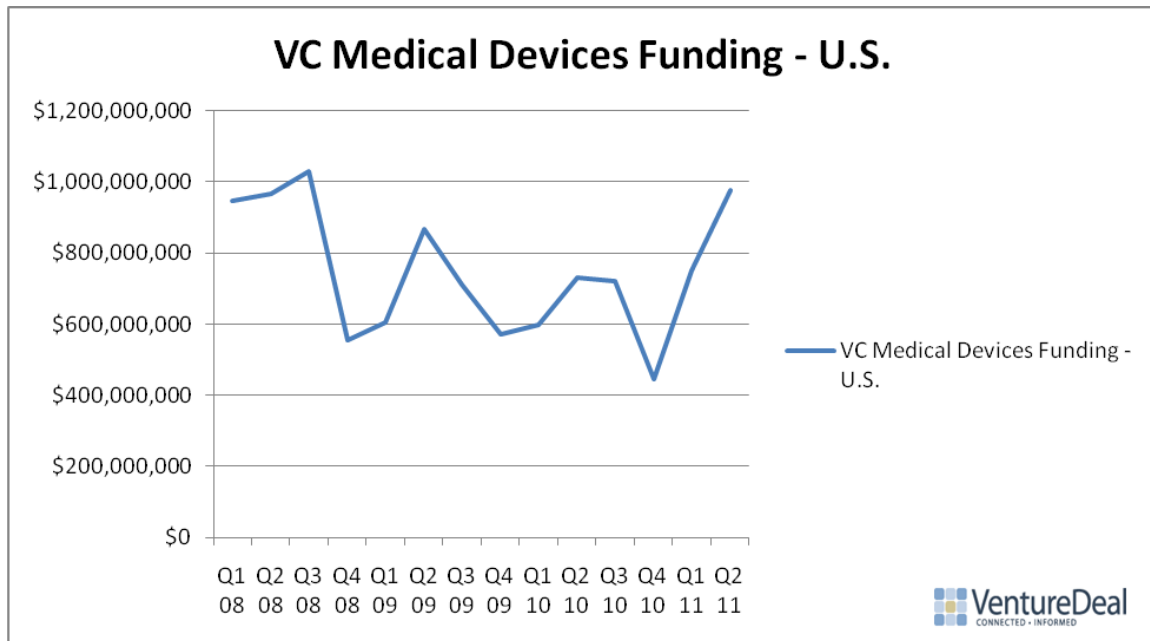
There were 5 disclosed early stage fundings (series A), totaling \$46 million and which included the following companies:

|  |               |
|--|---------------|
| <a href="#">Lotus Tissue Repair</a>    | \$26 million  |
| <a href="#">Tenex Health</a>           | \$5 million   |
| <a href="#">MoMelan Technologies</a>   | \$3.5 million |
| <a href="#">Seven Sense Biosystems</a> | \$4.5 million |
| <a href="#">Molecular Imaging Res.</a> | \$7 million   |

San Clemente, California-based [Cameron Health](#) landed \$107 million in the largest financing during the quarter. The company is developing what it calls the "next generation of implantable electronic devices utilizing state-of-the-art technologies." The round was funded by [Alloy Ventures](#), [Delphi Ventures](#) and other undisclosed financial investors.

In the cardiac space, [iRhythm Technologies](#) garnered \$15 million from venture capital, corporate and university endowment investors. iRhythm has created a cardiac rhythm monitoring device that it says is dramatically superior to any currently available device. The company says that the funding will be used to expand sales and marketing efforts for its Zio Patch.

**Chart 3 - Medical Device Funding**



**Table 1 - All Sectors - See Next Page**

Table 1 - All Sectors

## Venture Funding Activity – 2<sup>nd</sup> Quarter 2011

| Industry        | Total Disclosed Funding | % Change Vs. Prior Quarter | Number of Companies Funded | % Change vs. Prior Quarter |
|-----------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Biotechnology   | \$806 million           | + 46%                      | 86                         | + 25%                      |
| Pharmaceuticals | \$663 million           | + 69%                      | 51                         | + 50%                      |
| Medical Devices | \$976 million           | + 30%                      | 98                         | + 4%                       |
| <b>Total</b>    | <b>\$2.4 Billion</b>    | <b>+ 41%</b>               | <b>235</b>                 | <b>+ 19%</b>               |

### Notes

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

The information source used was good job the [VentureDeal.com](http://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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