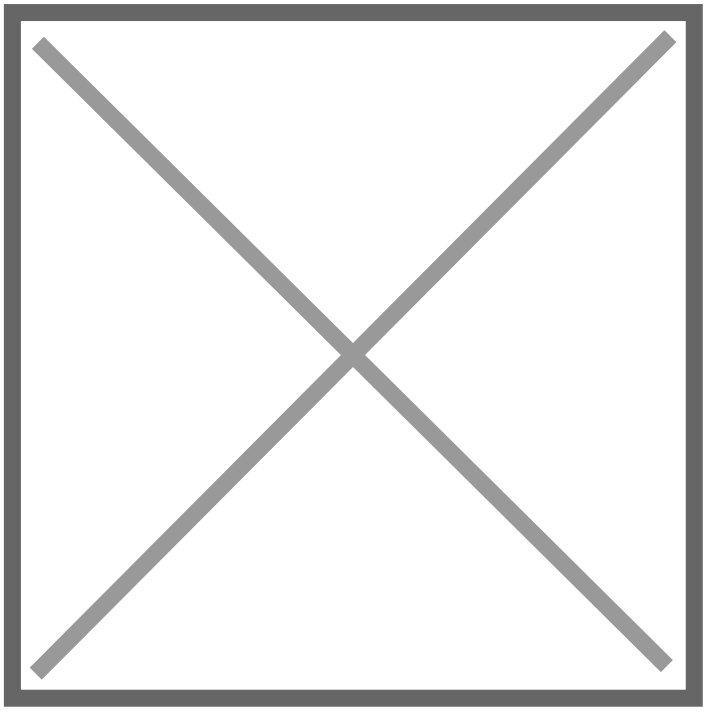
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Biotech attracted more venture capital than any other industry in Q3

13 November 2003 | News



According to the Pricewaterhouse-Coopers, Thomson Venture Economics, and National Venture Capital Association MoneyTree Survey, venture capitalists invested $4.2 billion in 667 entrepreneurial companies in the third quarter of 2003. The third quarter survey results represent a slight decline of 8 percent of dollars invested and 5 percent of number of deals compared to the second quarter, but represent a slight uptick from the first quarter of this year. For five consecutive quarters, beginning with the third quarter of 2002, venture capitalists have invested in the range of $4 billion per quarter, sustaining a healthy pace of investing in new and existing portfolio companies.

For the first time in seven years, biotechnology was the number one industry with $873 million, displacing software as the leading category. Investments in biotechnology companies increased 31 percent from the previous quarter and 88 percent from a year ago. "The broader Life Sciences sector, which includes biotechnology and medical devices & equipment totaled $1.24 billion, an impressive 30 percent of all dollars invested, clearly demonstrating that venture capitalists believe that the innovation occurring in these fields will translate into profitable new products and services in the future," notes the survey.

The software industry was down 11 percent compared to the previous quarter, dropping it into the number two position with 160 companies receiving $819 million. Telecom with $492 million remained in third place and medical devices with $376 million followed in fourth.

The ranking of industries receiving first-time venture dollars varied notably from the overall industry rankings. Software companies lead with 38 companies attracting $138 million. Biotechnology was second with 16 companies and $72 million. Medical devices followed with 15 companies receiving $54 million.

Biotechnology VC Deals in Q3		
Company	**Amount ($m)**	**Deal share**
Acorda Therapeutics Inc.	55	8.32%
Rib-X Pharmaceuticals Inc.	51	7.68%
Santarus Inc.	51	7.68%

BioMedicines Inc.	43	6.48%
Nanosys Inc.	38	5.72%
QUATRx Pharmaceuticals Company	28	4.22%
ActivBiotics Inc. (FKA: Merlin Technologies, Inc.)	26	3.98%
US Genomics Inc.	25	3.77%
Xenogen Corp.	22	3.31%
Nanostream Inc.	22	3.25%
Cytokinetics Inc.	22	3.24%
Affymax Inc.	20	3.01%
ESP Pharma Inc.	20	3.01%
Momenta Pharmaceuticals (FKA: Mimeon, Inc.)	19	2.86%
MetaPhore Pharmaceuticals	16	2.41%
Endocyte	16	2.33%
Sention Inc. (FKA: Nemogen, Inc.; Cognetics)	15	2.29%
Concurrent Pharmaceuticals Inc.	14	2.11%
Phenomix Corp.	14	2.03%
Hydro Med Sciences Inc. (AKA: HMS, Inc.)	12	1.81%
Favrille Inc.	11	1.60%
Ambion Inc.	11	1.58%
Cellerant Therapeutics Inc.	10	1.51%

Cohesive Technologies Inc.	8	1.20%
Kemia Inc.	8	1.19%
RxStrategies Inc.	8	1.17%
Integrity Pharmaceuticals Inc.	7	1.00%
Anawah (FKA: Tilligen Inc.)	6	0.90%
Chlorogen Inc.	6	0.83%
Aperon Biosystems	5	0.69%
Regenecor Inc.	5	0.68%
Hawaii Biotech Inc.	4	0.66%
GlycoMimetics Inc. (AKA: GMI)	4	0.65%
Kalobios Inc.	4	0.60%
Triosyn Corporation	4	0.60%
TransForm Pharmaceuticals Inc.	3	0.48%
Acadia Pharmaceuticals Inc.	3	0.45%
Fluorous Technologies Inc.	3	0.45%
Amicus Therapeutics Inc.	3	0.45%
Advanced BioNutrition Corporation	3	0.38%
Jazz Pharmaceuticals Inc.	2	0.32%
Athenix Corporation	2	0.30%
CyThera Inc.	2	0.30%

Vitra Biosciences Inc. (FKA: Virtual Arrays Inc.)	2	0.23%
Undisclosed Company	1	0.22%
Hepaticus Inc.	1	0.21%
Imaging Therapeutics Inc. (FKA; OsteoNet.com Inc.)	1	0.20%
Q-RNA (AKA: In Vitro Diagnostics Inc.)	1	0.20%
Angiosyn Inc.	1	0.15%
Guava Technologies	1	0.15%
GlobeImmune Inc.	1	0.15%
AppTec Laboratory Services	1	0.15%
PhysioGenix Inc.	1	0.13%
ZuChem	1	0.13%
Bioform	1	0.08%
Integral Molecular	1	0.08%
Spliceomix	1	0.08%
Vax Innate Corporation	1	0.08%
RetinaPharma Technologies	0	0.07%
eNOS Pharmaceuticals Inc.	0	0.06%
Analgesix	0	0.06%
Orexigen Therapeutics Inc.	0	0.05%
Othera Pharmaceuticals Inc.	0	0.02%

Phoenix S&T	0	0.01%
Ã¢â?¬Â¢ Average $ per deal: *$9,623,333* ***Ã¢â?¬Â¢ Deals: 69 Ã¢â?¬Â¢ Source:*** *The MoneyTree Survey*		