

PricewaterhouseCoopers/
Thomson Venture Economics/
National Venture Capital Association

MoneyTree™ Survey

The State of Venture Capital Investment in Device Markets

Eighth Annual MedTech Investing
Conference
May 6-7, 2009

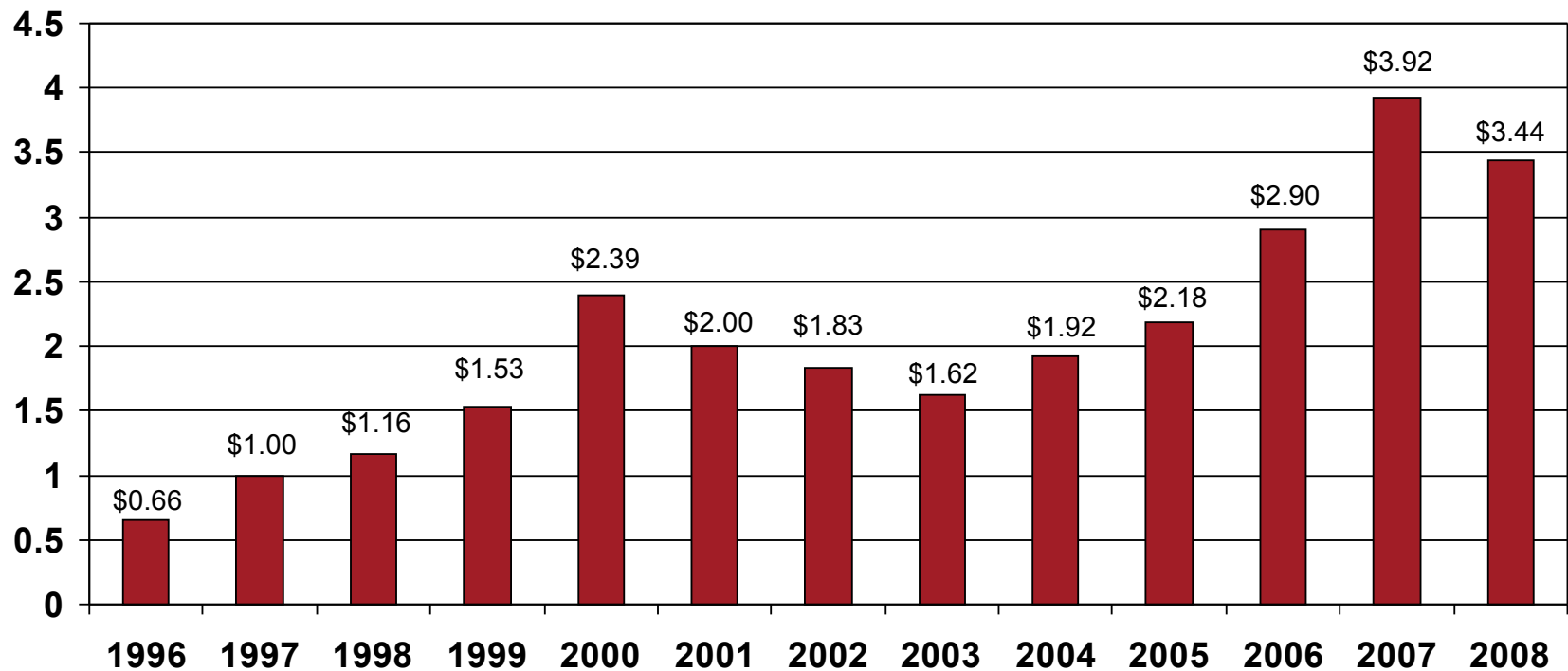
PRESENTED BY

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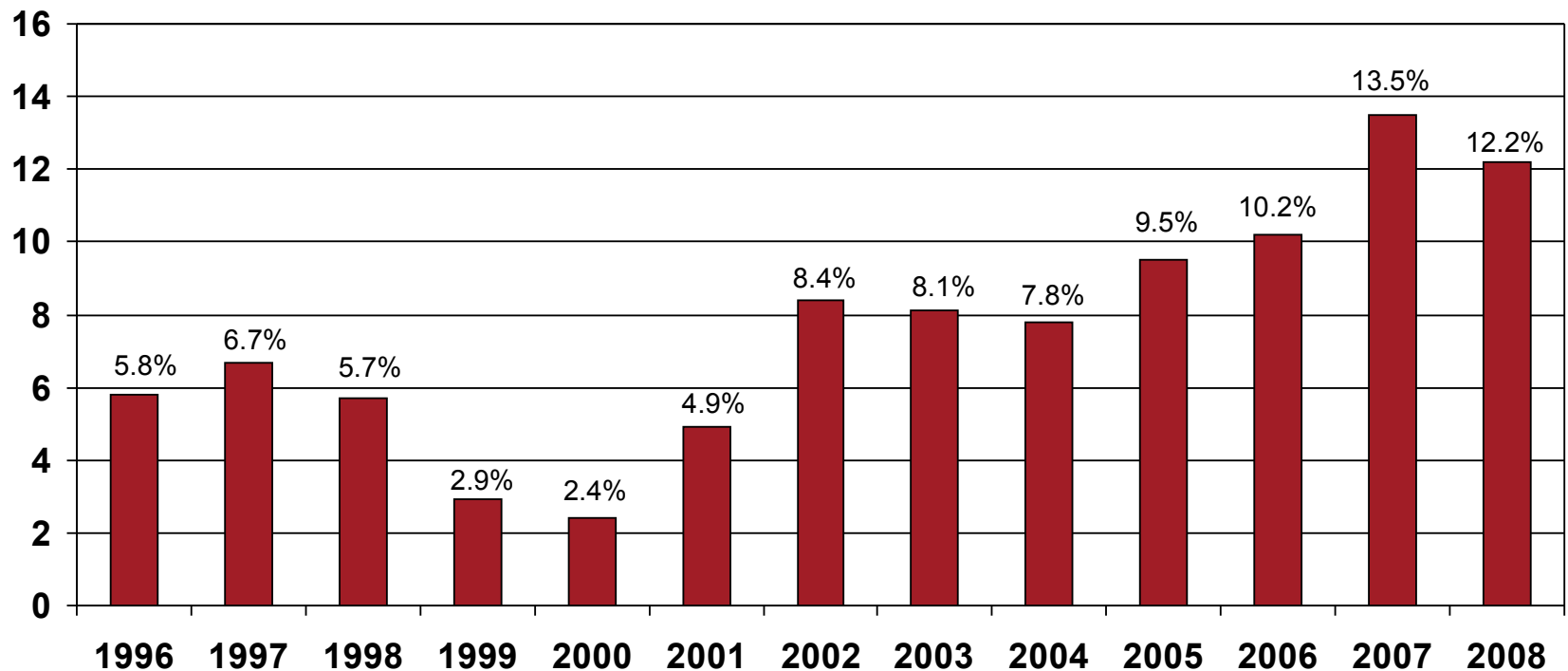
National Medical Device Investments

Billion \$



Medical Device Investments as % of National Venture Investments

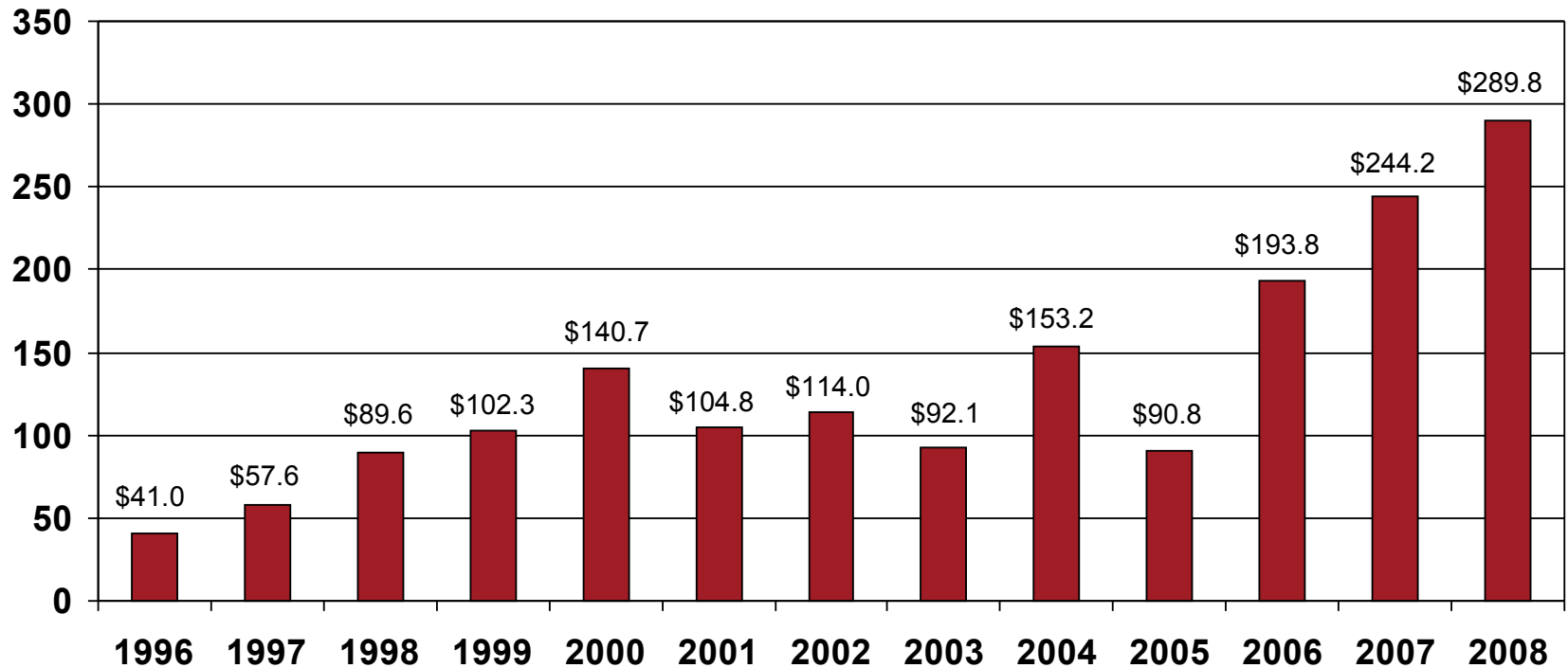
% of capital invested



Q1 2009 strong interest in the medical device sector continues with 13.7% of investments

Minnesota Medical Device Investments

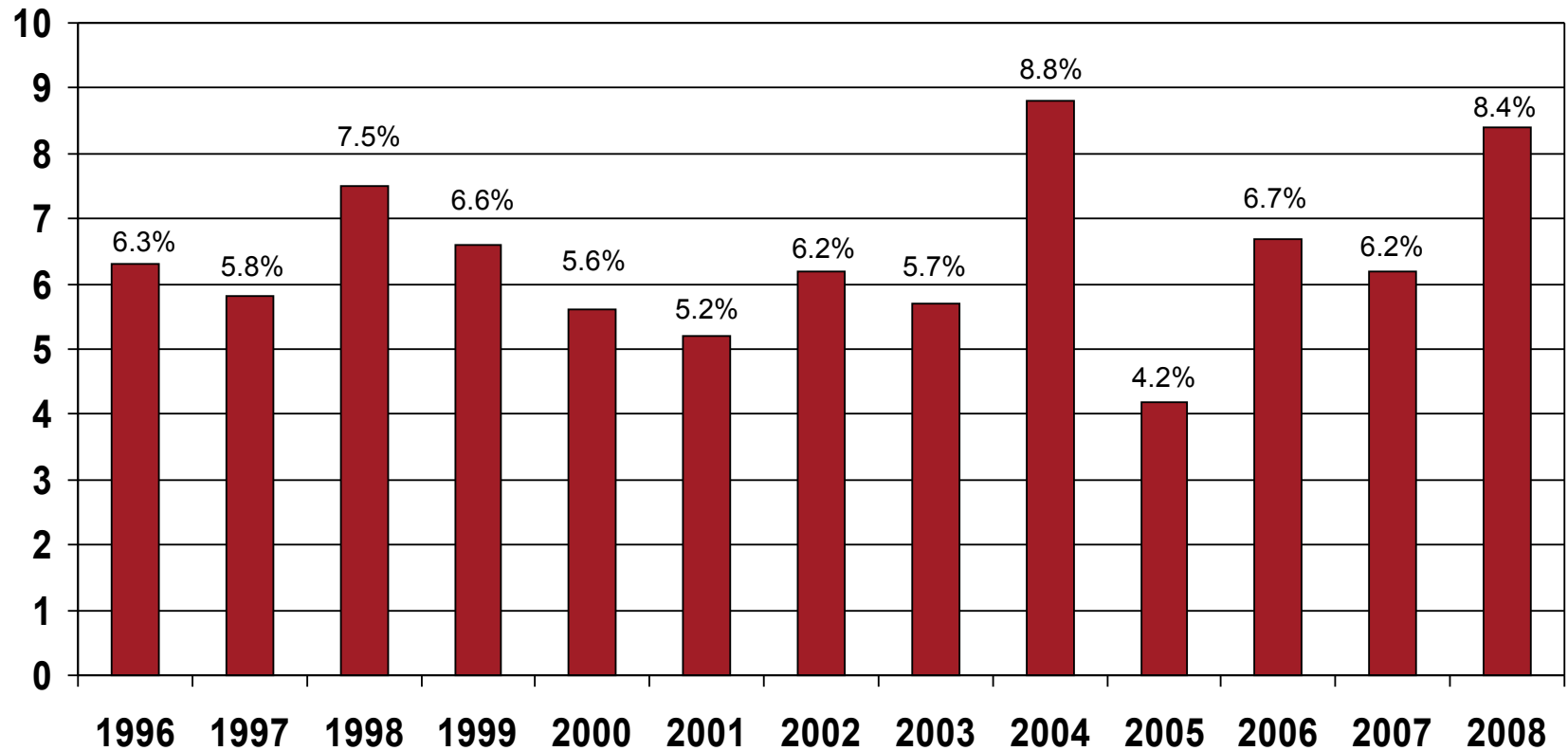
Million \$



Medical device sector has been number one recipient of venture capital in Minnesota since 2001

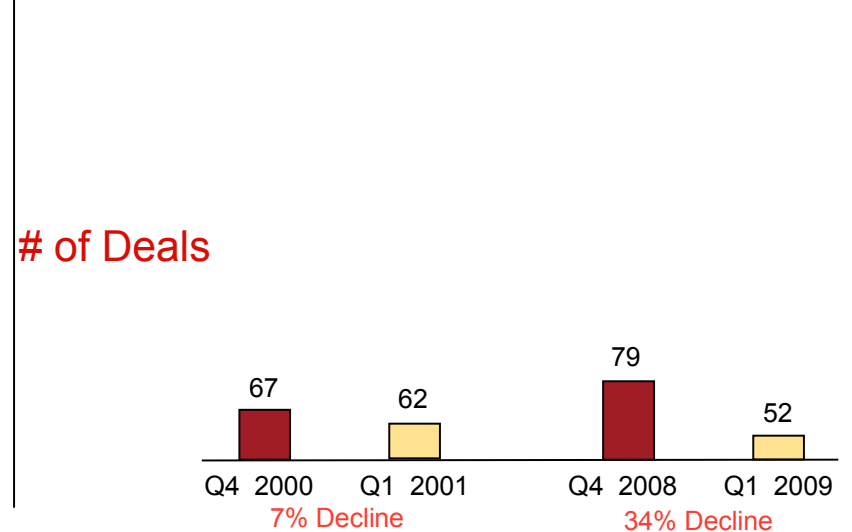
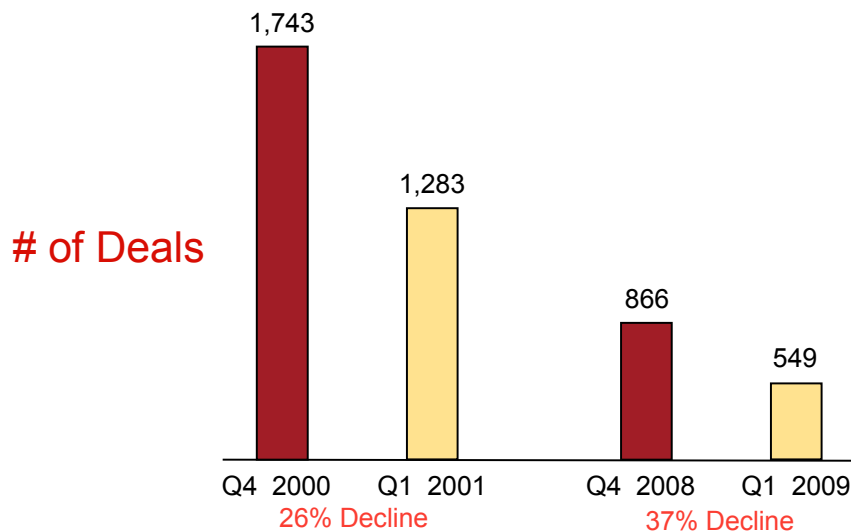
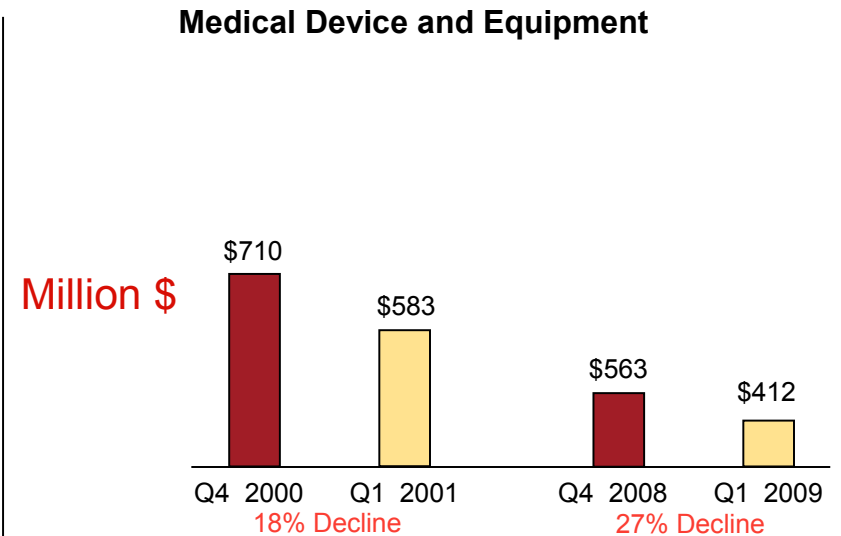
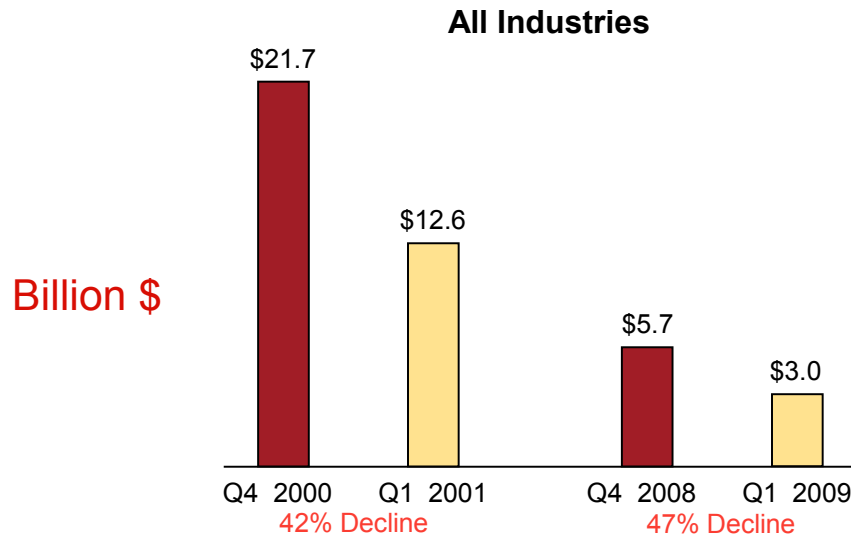
Minnesota Share of All Medical Device Investments

% of capital invested



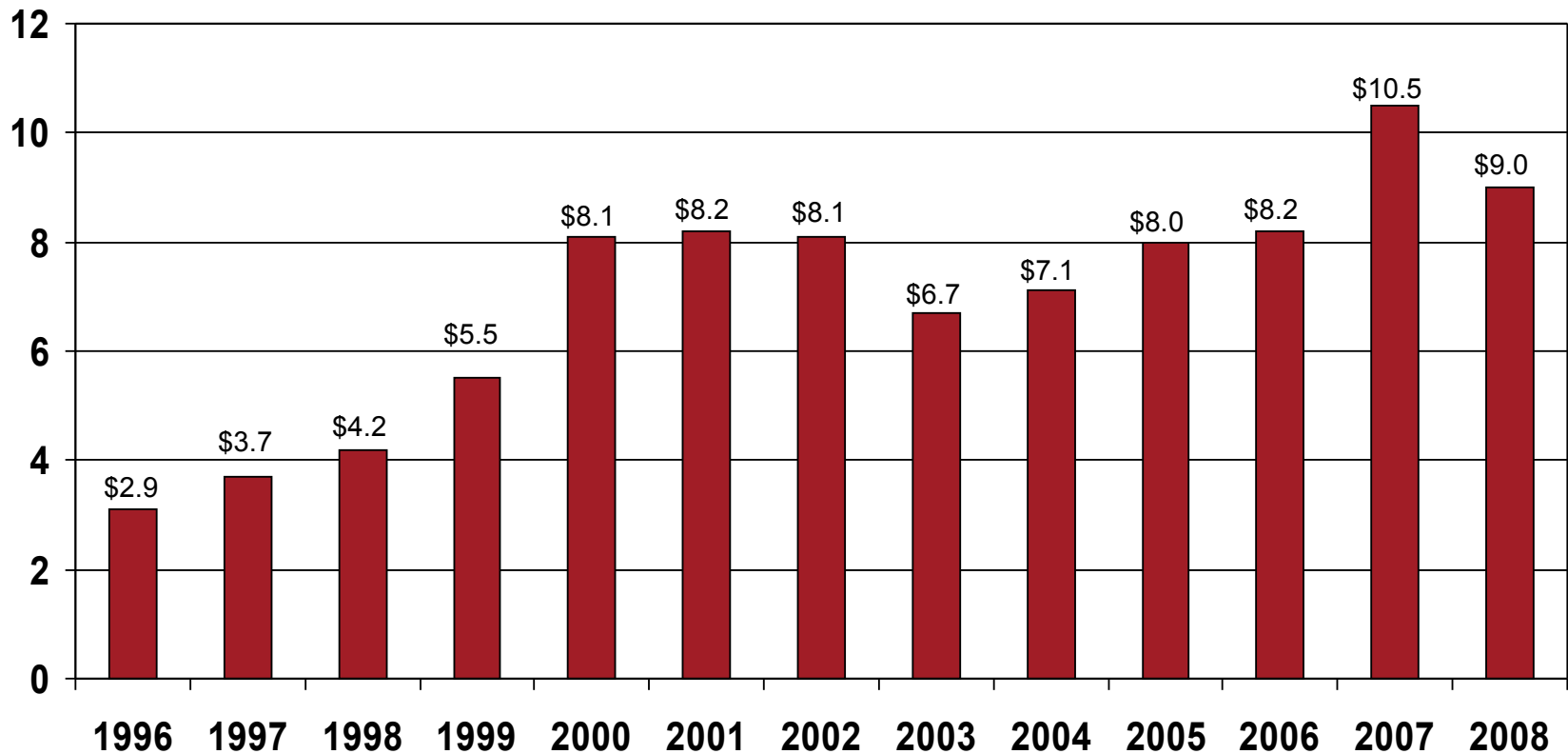
When the Bubble Bursts

National Investment



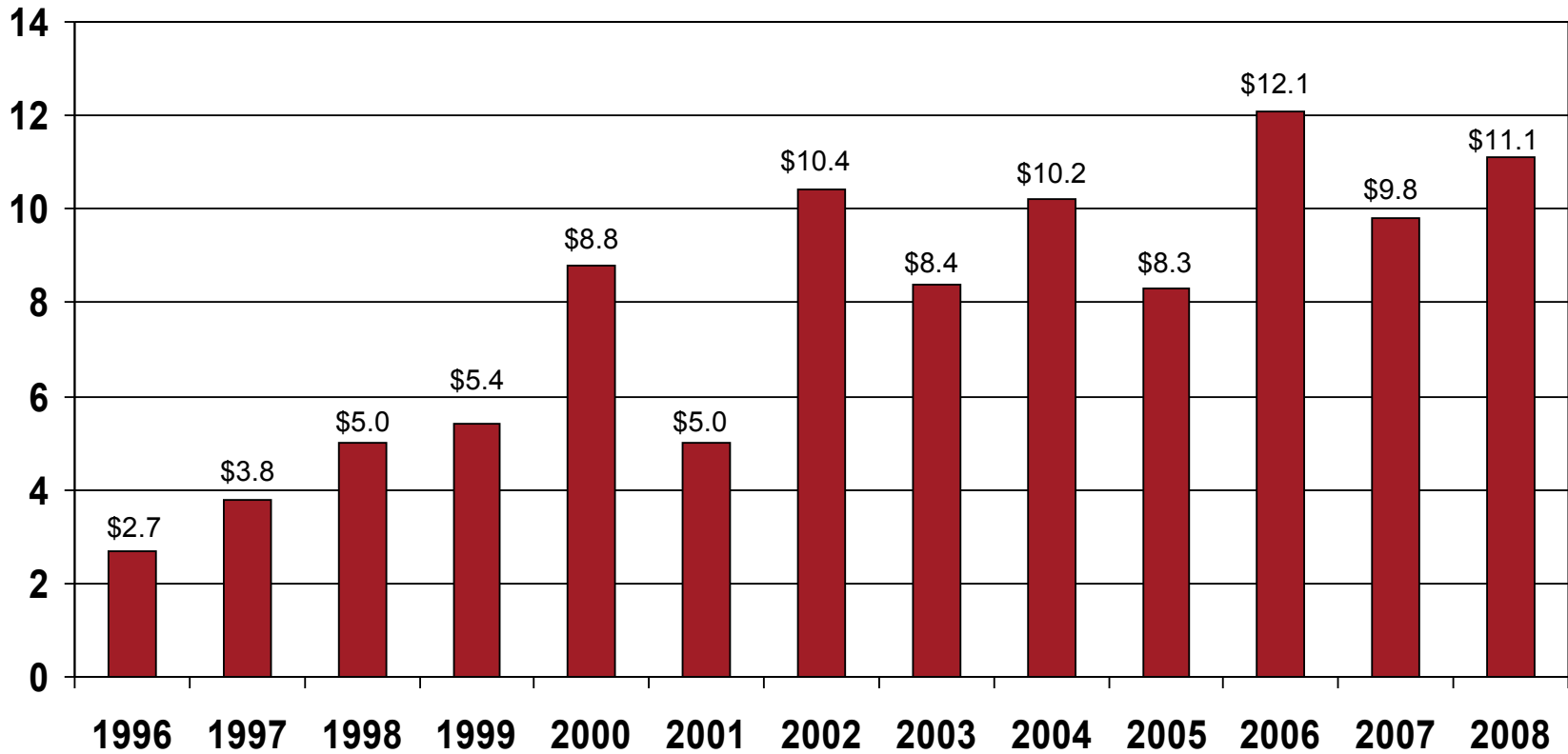
National Medical Device Average Deal Size 1996-2008

Million \$



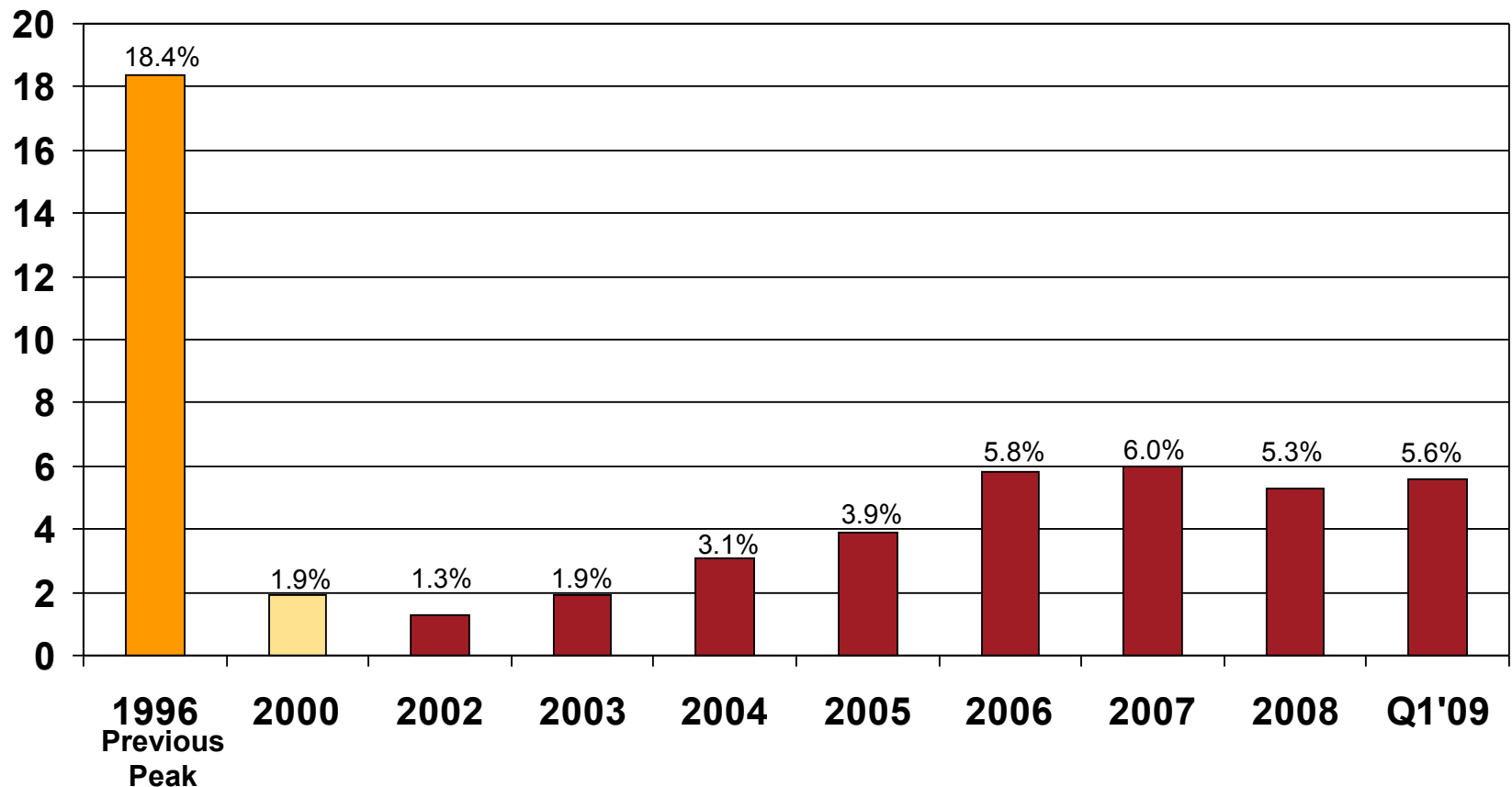
Minnesota Medical Device Average Deal Size 1996-2008

Million \$



Deal Pipeline – Early Stage Medical Device Investments

Sector % in early stage deals – Seed/start-up



Medical Device and Equipment

Dollars by Investment Round

<u>Round</u>	<u>2008</u>	<u>1997</u>
1	16.6%	27.0%
2	19.0%	23.0%
3	13.2%	17.6%
4	12.2%	11.9%
5	12.8%	11.1%
6 or Later	<u>26.2%</u>	<u>9.4%</u>
	100.0%	100.0%

- 1997 followed one of the biggest years for device IPO's helping to “clear the decks” and create a strong interest in investing in new deals

Top 5 States for 2008 Medical Device Deals

Deal \$ in Millions

	<u>State</u>	<u>Deals</u>	<u>Investment \$</u>	<u>U.S. Total</u>
1.	California	147	\$1,684	49.0%
2.	Minnesota	25	290	8.4
3.	Massachusetts	42	268	7.8
4.	Pennsylvania	24	124	3.6
5.	Texas	12	122	<u>3.6</u>
				72.4%

Most Active Medical Device VCs in 2008 - Listed Based on Reported Device Deals

(10 or more deals)

- De Novo Ventures
- Three Arch Partners
- Delphi Ventures
- SV Life Sciences Advisers (Schroder Ventures Life Sciences)
- New Enterprise Associates
- Versant Ventures
- InterWest Partners
- Johnson & Johnson Development Corporation
- Frazier Healthcare and Technology Ventures(FKA Frazier & Co)
- Domain Associates LLC
- U.S. Venture Partners

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