

2011 Portfolio Accomplishments:

1. *Win Award for Market Creation & Innovation*

✓ **DONE!**

2. *WIN National Science Foundation Grant*

✓ **DONE!**

3. *Complete \$9 Million Debt Financing*

✓ **DONE!**

4. *Simplify Androgen Receptor Research*

✓ **DONE!**

LSGPA Portfolio News

1. Win Award for Market Creation & Innovation

INRange Systems (Altoona, PA) received the inaugural Silvertip HP Startup Central Award for market creation and innovation given by The Angel Capital Association (ACA).

INRange Systems has developed the first and only FDA-cleared device for remote medication management. The company's **Electronic Medication Management Assistant (EMMA®)** is also the first telehealth device to receive an HCPCS code from the Center for Medicare and Medicaid Services (CMS).

ACA, in partnership with HP Startup Central, launched this award to bring international attention to the top angel-backed companies and their supporting angel groups. "The Silvertip HP Startup Central Award specifically recognizes the top angel-backed technology company most likely to create new markets or disrupt existing markets. INRange Systems identified a big problem—in-home medication management for a huge number of people," said **Marianne Hudson**, executive director of ACA.

To date LSGPA has invested \$1.5M from its Technology Development and Gap funds in INRange Systems.

2. Win National Science Foundation Grant

NanoHorizons, Inc., was recently awarded a six-month research grant from the National Science Foundation (NSF). The grant will be used to determine the optimal combination of reinforced composite material and nanoscale silver antimicrobial additives that meet antifouling performance specifications of the marine environment and ocean renewable energy systems.

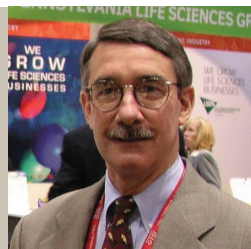
Antifouling (the prevention of surface growth of marine organisms) is considered a key challenge to those developing systems to successfully produce ocean renewable energy, and could also have a beneficial impact on the US shipping industry and the military.

Located in Bellefonte, Pennsylvania, NanoHorizons is a leading provider of nanoscale additives for healthcare, textiles and industrial applications. The company's nanoscale silver antimicrobial additives are developed and manufactured in the United States and marketed globally under the **SmartSilver®** brand (www.smartsilver.com).

To date LSGPA has invested \$1.5M from its Technology Development funds in NanoHorizons.

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3. Complete \$9M Debt Financing

In June 2011 Saladax BioMedical, Inc. successfully completed a \$9M debt financing deal with GE Capital. This investment by GE Capital will be used for the commercialization of Saladax's My5-FU™ assay, and for further development of the company's additional assays.

My5-FU™ is a diagnostic kit that measures levels of the most common chemotherapy drug, 5-fluorouracil (5-FU), in a patient's blood, and is part of the company's 15 MyCare™ dose management assays.

Located in Bethlehem, Pennsylvania, Saladax Biomedical develops and commercializes novel diagnostic assays to achieve personalized medicine through dose management.

To date LSGPA has invested \$1.3M from its Technology Development and Gap funds in Saladax.

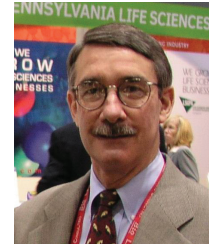
4. Simplify Androgen Receptor Research

In an age where access to instant information is necessary, simplifying research is a seemingly huge task. But Indigo Biosciences (State College, PA) has done just that with the company's Androgen Receptor (AR) Kit. The kit allows researchers to obtain data in four easy steps: *Thaw, Feed, Dose, and Read.*

AR is known to play a role in many diseases including osteoporosis, breast cancer and prostate cancer. "Androgen Receptor is an increasingly important receptor for study in pharmaceutical discovery and toxicology. The AR assay kit provides researchers with a ready to use tool." according to **Bruce Sherf**, Chief Technology Officer of Indigo Biosciences.

To date LSGPA has invested \$700K in Technology Development and Gap Funds in Indigo Biosciences.

A Fond Farewell



LSGPA bids a fond farewell to **John Taylor** who retired at the end of July 2011. John was closely involved in the life sciences

industry while at the University, serving as Industrial Liaison for Lehigh University's Corporate Life Sciences Program.

John has spent the majority of his professional career with Merck & Co. Prior to beginning his liaison role with Lehigh University, John served as the Senior Director, Public Affairs and Executive Vice President, The Merck Company Foundation. His career also includes 24 years of active and reserve duty with the U.S. Navy earning the rank of captain.

The staff of LSGPA wishes John and his wife, Linda, many happy retirement years.

New Service Program Targets Early-Stage Entrepreneurs

The **Harrisburg Regional Chamber & CREDC (HRC/CREDC)** and **Ben Franklin Technology Partners** joined forces recently to launch a new business service for the companies housed in the Carlisle **Murata Business Center**.

TechCelerator @ Carlisle is an expansion of the existing services available at the Center. **Pam Martin**, TechCelerator's Executive Director believes that having on-site business mentoring services available will result in a host of new start-up activity in the region.

For additional information contact Pam Martin at the Murata Business Center (717) 249-2356, or Pmartin@muratabusinesscenter.com

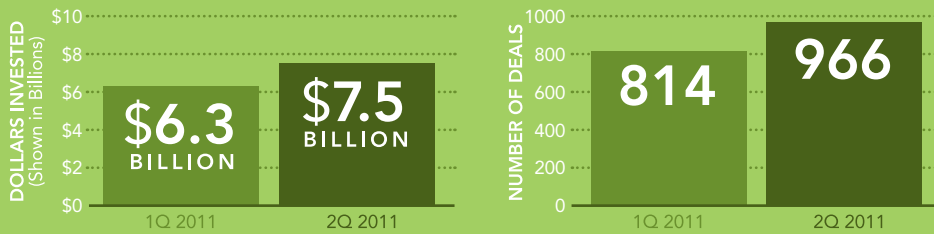


Enlarged view of algae cells as viewed underneath a microscope.

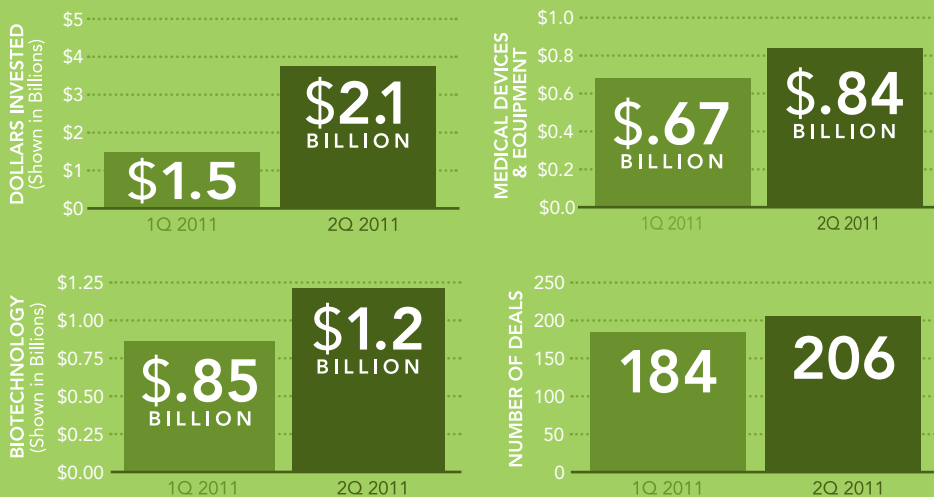


Increases Add Up

Venture Capital (VC) Investments Increase 19%

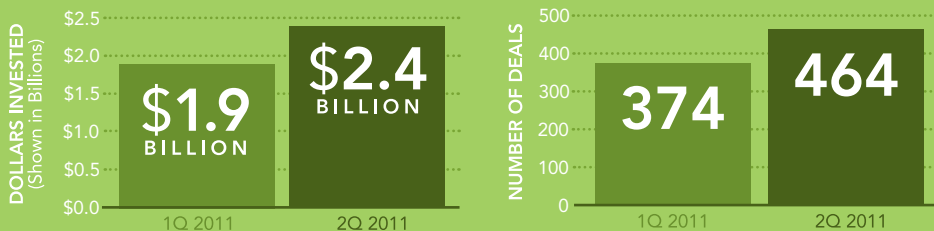


Life Sciences See 37% Increase in VC Dollars



The Life Sciences sector (biotechnology and medical device industries combined) saw a **37% increase** in venture capital dollars invested and a **12% increase** in the number of deals during the second quarter 2011.

Seed & Early Stage Investments See 24% Increase — a 26% Increase from 1st Quarter



Seed and Early stage investments accounted for **48%** of the total deal volume in the second quarter and **rose 24%** in both dollars invested and number of deals.

According to **Tracy T. Lefteroff**, global managing partner of the venture capital practice at PwC US, "The exit market for both biotech and medical device companies has been active over the past year, and this has encouraged VCs to put more money back to work in this space. At the current pace of venture capital investing, **2011 is on track to exceed \$26 billion**, which would put it as the sixth most active year in VC investing history."

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Events Calendar



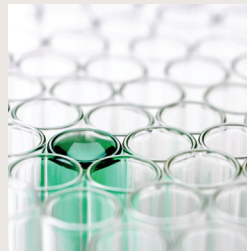
SEPTEMBER 21

Facebook Page for Business
HACC Institute for
Entrepreneurial Studies
Harrisburg, PA
[www.hacc.edu/NonCredit/
upload/business.pdf](http://www.hacc.edu/NonCredit/upload/business.pdf)



OCTOBER 1

2011 Chocolate Tour
Fund Raising Event for The Penn
State Hershey Cancer Institute
Hershey, PA
[www.PennStateHershey.org/
cancer](http://www.PennStateHershey.org/cancer)



OCTOBER 24-25

Biotech 2011
Philadelphia, PA
www.pennsylvaniaibio.org

The Life Sciences Greenhouse is a public/private venture whose mission is to commercialize bioscience technologies. Clients include university-based researchers and technology development groups, emerging companies, and companies seeking to expand or relocate. LSGPA provides direct early-stage investment, targeted business development services, and connections to strategic partners.

DID YOU KNOW:

The Commonwealth
of Pennsylvania has
1,900
life sciences enterprises
*not counting hospitals, physicians'
offices or universities.*

The life sciences
industry employs
80,000
Pennsylvanians.