

OrbiMed Advisors Raises \$325M for Second Asia Health-Care Fund

BY BRIAN GORMLEY

OrbiMed Advisors has secured \$325 million to fund health-care companies in Asian nations such as China and India, where rising affluence is fueling increased demand for medical products and services.

The New York firm set out to raise \$300 million for OrbiMed Asia Partners II LP in the first quarter of 2013. The new partnership, which closed over the summer, is a jump from the \$182 million OrbiMed raised for its debut Asia fund in 2008.

The partners were seeing several good growth-equity opportunities in Asia and raised a larger fund to enable the firm to lead bigger financing rounds, Partner Carter Neild said. This fundraising comes less than a year after the firm disclosed the closing of its latest global venture investment fund, the \$735 million OrbiMed Private Investments V LP.

By investing the global and Asia funds together, OrbiMed could put \$100 million into a single company if it chooses, Partner Jonathan Silverstein said.

OrbiMed is one of a few U.S. firms making health-care investments in Asia. Others include Carlyle Group and Warburg Pincus. Recently, Shanghai-based HighLight Capital raised around \$300 million to invest in Chinese medical concerns.

Chinese health-care companies raised \$284.4 million in 2013, up from \$218.37 million in 2012, according to VentureSource, which is owned by Dow Jones & Co., publisher of VentureWire. Medical companies rounded up \$135.62 million in the first half, the data show.

Investment activity doesn't match the level of opportunity in China and India, according to OrbiMed, whose Asia team operates from offices in Shanghai and Mumbai. In 2012, health care accounted for 5.4% of Gross Domestic Product in China and 4% of GDP in India, according to the World Bank. By contrast, health care took up 17.9% of U.S. GDP in 2012.

Part of OrbiMed's strategy is to increase access to medical care by investing in health-care services. The first investment from the new fund, which had multiple closings, came early this year in Asian Institute of Medical Sciences, a hospital in North India.

OrbiMed's second investment was in GC-Rise Pharmaceutical Co., a Chinese company focused on providing pharmaceutical products to women and children. OrbiMed aims to use its U.S. network to help the company bring on additional products, Mr. Silverstein said.

The firm previously backed another Chinese specialty-pharmaceutical company, Eddingpharm. The company, which also brings products from other countries into China, focuses on oncology, antibiotics, nutrition and other markets. Eddingpharm's other investors include Sequoia Capital and Domain Associates.

OrbiMed, which made about 18 investments from its first Asia fund, expects to make a similar number of deals with the new partnership. Successes from the first Asia fund include ForteBio Inc., a California-based provider of analytical systems used to speed drug discovery and development. ForteBio has been acquired by Pall Corp.

Limited partners in this second Asia fund include Asian Development Bank and Bank of America Merrill Lynch. Other LPs include endowments and foundations. Terms of the fund are undisclosed.

Senior Managing Directors Jonathan Wang, Sunny Sharma and David Wang lead OrbiMed's Asia practice.

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