

HemCon makes deal with Cardinal Health

HemCon Medical Technologies, a Portland startup known for its battlefield wound dressing, has struck an exclusive marketing deal with one of the world's largest medical supply companies, Cardinal Health Inc.

HemCon's bandages and wound-packing materials quickly stop bleeding by forming a tight, flexible seal over wounds when they come in contact with blood or moisture. Founded in 2001, the privately held company developed the bandage material from a component of shrimp shells. The U.S. military has been HemCon's largest customer.

The Cardinal Health deal is a significant advance in HemCon's efforts to expand beyond the military market. The Dublin, Ohio-based company booked \$81 billion in sales last year and has a nationwide sales force with connections to hospitals and other medical care providers. Cardinal Health also distributes to national drug-store chains.

Under the four-year agreement, Cardinal has exclusive rights to distribute HemCon's hemorrhage-control bandages to hospitals, surgery centers and physician offices. Cardinal Health will buy the bandages from HemCon at an agreed upon distributor price and put its brand name alongside HemCon's on packaging. Cardinal Health must achieve sales targets to maintain the exclusive distribution rights, said John Morgan, HemCon's president and chief executive officer. Morgan declined to specify the revenue targets.

HemCon is developing uses beyond the emergency room, such as sealing arteries during surgery. The company has received federal clearance to sell a home-use bandage and a dental dressing designed to quickly stop bleeding after tooth extractions.

In March, HemCon secured \$12 million in private equity financing with which to expand and develop products for the civilian market. The company employs 102 people and recently added 10,600 square feet of manufacturing, warehouse and office space.

