

PITTSBURGH TRIBUNE-REVIEW

Company gets \$20M in venture capital

By Rick Stouffer
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A local company that has developed a test to help oncologists select the proper chemotherapy to treat cancer said Friday that it has completed a deal giving it \$20 million in venture-capital funding.

Precision Therapeutics Inc. has developed a test that quantifies a patient's likely response to single or multiple chemotherapy treatments.

"We plan on beginning the commercialization of this product to assist with ovarian and breast-cancer treatment," said Chief Executive Officer Sean McDonald. "The funds will be used to extend and continue ongoing clinical trials and for further product development."

The market for assisting physicians in determining which drugs, dosages and timeframes will best work is -- in a word -- huge.

"Unfortunately, there are 9 1/2 million people today living with cancer, with 1.3 million new cases diagnosed each year," McDonald said. "Right now, there are more than 400 new cancer drugs in human trials, and 80 drugs that now are being used. A course (of treatment) can run between \$40,000 and \$80,000. A product or products that can help a physician determine how best to deliver treatment is extremely valuable."

Precision Therapeutics is the second Pittsburgh company that McDonald has shepherded to success. About 16 years ago, he founded Automated Healthcare, based on his idea to place bar codes on medications and to use a robot to retrieve coded medicines.

McDonald sold his company to drug-distribution giant McKesson in 1996 for \$65 million. He stayed for five years to continue running the company. Today, the company is known as McKesson Automation.

Five venture-capital firms took part in Precision Therapeutics' funding, including three from Pittsburgh: Birchmere Ventures, Adams Capital Management and Draper Triangle Ventures.

Other investors are Techno Ventures Management of Boston, and Quaker BioVentures of Philadelphia. All but Quaker BioVentures are previous Precision Therapeutics' investors.

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