

INVESTMENT OPPORTUNITIES

Biotechs May Provide Healthy Returns

(NAPSA)—A number of new drugs designed to treat ailments ranging from diabetes to osteoporosis could cost less to bring to market—and both investors and consumers have taken notice.

Currently, all FDA-approved drugs must go through extensive clinical research before hitting pharmacies—a process that lasts about 14 years and can cost as much as \$1 billion. Now, a new biotech company contracts with pharmaceutical companies to provide this necessary research and to help them control R&D costs.

Analysts say the plan seems to be a recipe for success, with the firm, called Qualia/Holmes, seeing first-year revenue reach \$10 million—a mark other biotechs can take years to reach.

“We have a business plan that is focused on profitability,” explains Sohail Khattak, M.D., FRCP(C), President/CEO at Holmes. “Our approach involves having in-house capability to do most of our own research on new compounds. That saves money and speeds the research process.”

Indeed, the company's staff, which has quickly grown from three to over 100 employees, is made up of RNs, LPNs, research technicians and physicians with advanced training.

Helping Consumers

In addition to working with pharmaceuticals, the biotech firm also contracts with generic drug



A biotech firm that conducts research for larger pharmaceuticals has shown promising growth.

makers to determine if new types of generic drugs are truly similar to their branded counterparts. Khattak says that this allows his firm to have a greater impact by helping bring generics to market faster.

A Healthy Future

In the next five years, the company expects exponential growth with sales to \$100-250 million. Khattak says one reason for the projected success is his firm's recent focus on diseases affecting America's baby boomers.

“As the population is aging, there is a desperate need to find suitable medications and cost-effective solutions,” Khattak says. A number of investors feel his firm has found a way to do just that.

For more information, visit www.holmesbiopharma.com.