31 March 2010

OTC bulletin

THE BUSINESS NEWSLETTER FOR EUROPE'S CONSUMER HEALTHCARE INDUSTRY

Israeli firm Teva to pay €3.63bn for Ratiopharm

Teva Pharmaceutical Industries has signed a definitive agreement to pay €3.63 billion for the German generics and OTC player Ratiopharm.

The Israeli generics firm expects to complete the deal – which includes around €600 million of assumed debt together with Ratiopharm's AbZ and CT Arzneimittel affiliates – by the end of this year.

Teva's president and chief executive officer, Shlomo Yanai, said that Teva would make Ratiopharm's base in Ulm, southern Germany, into the headquarters of its German operation. Yanai also pledged to expand the German company's manufacturing and logistics sites in the Ulm area into a pan-European hub.

Teva intended to capitalise on Ratiopharm's strong brand heritage, he added, noting that the German company was a leading non-prescription player in its home market.

"Ratiopharm will provide us with the ideal platform to strengthen our leadership position in key European markets, most notably in Germany, as well as rapidly-growing generic markets such as Spain, Italy and France," Yanai pointed out.

Commenting on the price paid, Yanai insisted that around 2.2-times Ratiopharm's 2009 turnover of €1.6 billion – and 11.8-times the

■ *Continued on page 9*

GSK recruits from L'Oréal

GlaxoSmithKline has recruited the next worldwide head of its Consumer Healthcare division from cosmetics company L'Oreal in a move that has sent shock waves through the business.

Emma Walmsley – leader of L'Oréal's Consumer Products business in China – will join GlaxoSmithKline on 1 May 2010 as European president and worldwide president designate of the company's Consumer Healthcare division. GlaxoSmithKline said that Walmsley, 40,

■ *Continued on page 22*

PBM takes Perrigo into infant formulas

Leading US store-brand specialist Perrigo is set to take a similar position in the infant-formula market by paying US$808 million (€597 million) in cash for PBM Holdings.

Described by Perrigo as a leading manufacturer and distributor of store-brand infant formulas and baby foods, PBM generated sales of around US$265 million in 2009. Approximately 20% of PBM's sales were generated outside the US, Perrigo noted.

According to Perrigo, PBM's products were available in leading retailers in the mass, club, grocery and drug channels in Canada, China,

■ *Continued on page 8*

Business Strategy

Omega aims for top 10 with new strategy

If Omega Pharma wants to be one of the top 10 OTC players in the world, then it must focus on broad business categories rather than individual starbrands, said chief operating officer Georges De Vos, as he revealed a new corporate strategy for the Belgian firm.

Now the 13th biggest OTC company in the world with sales of €814 million in 2009 (**OTC *bulletin***, 10 February 2010, page 11), Omega had expanded its global footprint to 35 countries, and possessed the critical mass to push it into the global top 10, De Vos insisted.

But focusing its efforts on a few starbrands – representing just 15% of Omega's sales in 2009 (see Figure 1) – would not be sufficient, said De Vos. "Omega lacks a strong presence in the top categories," stressed De Vos, who recently joined the company from Novartis (**OTC *bulletin***, 16 September 2009, page 23).

Omega would now focus on brands representing 50% of its sales (see Figure 2), added De Vos. These brands would be managed via five business categories or "pillars" (see Figures 2 and 3): Derma; Classics; Cough & Cold; Multi-locals; and Parasites. Multi-locals covers strong local brands with global potential.

This change, De Vos pointed out, would enable Omega to shift away from niches with sales of €50 million to €100 million to large categories like dermatology and cough/cold.

Growth in all five categories would be driven by organic sales rises, innovation and international expansion, Omega said, adding that it would consider acquiring innovative brands or businesses with global potential.

Omega had built up a presence in central and eastern Europe over the past few years, continued De Vos, and was now looking to expand in Latin American markets such as Argentina, Brazil and Mexico.

Implementation of the new strategy had already started, said De Vos, and would continue throughout 2010. He noted Omega wanted to "attract top talent and replace low performers".

Discussing each of the categories in turn, De Vos noted that Derma was Omega's most significant, with sales from cosmetics and medicated skincare products generating 20% – or €163 million – of the firm's sales in 2009.

De Vos pointed out that the goal was to increase Derma sales to €300 million by 2015, with €150 million coming from cosmetics lines like ACO and Bodysol, and the same amount generated by medicated skincare brands including Dermalex, Septivon and Wartner.

Trends in the medicated skincare segment included the rise in allergies, which could lift sales of antihistamines, hydrocortisone products and anti-itch products, said De Vos. Demand for child-specific medicated skincare products was growing fast, he added.

De Vos noted that the segment was characterised by increasing brand loyalty and declining price sensitivity. Healthy skin was seen as part of a healthy life, he said.

Omega has identified segments of the medicated skincare market worth around €1.8 billion that its Dermalex, Septivon and Wartner brands can occupy. De Vos said there was an opportunity to extend the Dermalex eczema and skin irritation brand into the psoriasis, acne, cold-sore and medicated shampoo segments, while the Wartner wart-removal brand could offer salicyclic acid-based products as well as cryotherapy. Furthermore, the Septivon antiseptic brand could be stretched into the wound treatment segment.

Moving on to Cough & Cold, De Vos said this should be the company's second-biggest category by 2015 with sales of €185 million. In 2009, the Cough & Cold brands generated just 6% – €48.8 million – of the firm's sales.

International expansion would be an important driver of growth, De Vos explained, noting that between them Omega's key Cough & Cold brands – Aflubin for flu prevention, the Phytosun Arôme aromatherapy brand and the Prevalin allergy nasal spray – were only available in four of its main markets.

Natural, homoeopathic and aromatherapy products would be the main focus in the Cough & Cold category, Omega said, but the company was also interested in licensed medicines.

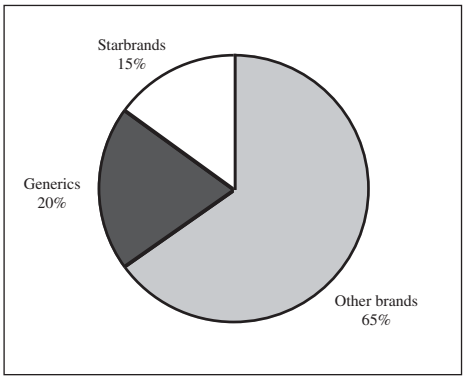

Figure 1: Omega Pharma's sales in 2009 – €814 million – by current brand structure (Source – Omega)

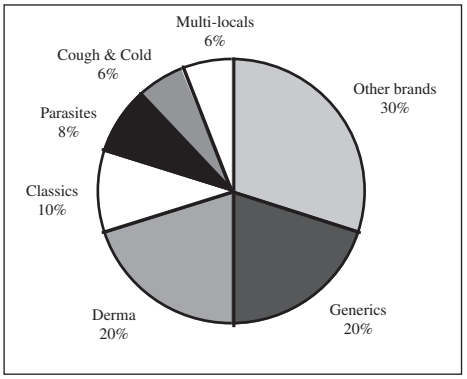

Figure 2: Omega Pharma's sales in 2009 – €814 million – by new category structure (Source – Omega)

The Classics category – encompassing Davitamon food supplements, Predictor test kits, the Silence anti-snoring line and XLS slimming products – would remain an important part of Omega's business, De Vos noted. The goal was to increase sales from €81.4 million in 2009 to €170 million by 2015.

Discussing the Parasites portfolio – which includes Jungle Formula mosquito repellents, Paranix head-lice remedies, and Paravet petcare products – De Vos said the objective was to lift sales to €110 million by 2015. This would be almost double the sales in 2009 of €65.1 million.

Omega intended to increase its share of the market for head-lice remedies through innovation, explained De Vos, and to roll out an international range of mosquito repellents with the focus on synergies. The company would also launch Paravet, which was currently only available in France, on an international scale.

No sales target for 2015 was given for the Multi-locals pillar, but Omega said it would take centralised control of some strong local brands and launch them in other countries.

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Business category	Category sales (€ millions)	Key Omega Pharma brands in business category
Derma	162.8	ACO, Bodysol, Dermalex, Septivon, Wartner
Classics	81.4	Davitamon, Predictor, Silence, XLS
Parasites	65.1	Jungle Formula, Paranix, Paravet
Cough & Cold	48.8	Aflubin, Phytosun Arôme, Prevalin
Multi-locals	48.8	Bional, Cellulase, Farmatint, T. LeClerc

Figure 3: Omega Pharma's new business categories together with sales in 2009 and key brands (Source – Omega)

Mergers & Acquisitions

Piramal adds i-pill brand to OTC portfolio in India

India's Piramal Healthcare is set to expand its domestic OTC portfolio by acquiring all intellectual-property rights to the i-pill (levonorgestrel) emergency contraceptive from Cipla for Rs950 million (€15.6 million).

Describing the product as India's "number one emergency-contraceptive brand", Piramal said the i-pill had generated sales of Rs309 million over the past 12 months, according to data from market researcher ORG IMS.

The OTC emergency-contraceptive segment in India had grown by 250% over the past two years to around Rs1.0 billion, Piramal added.

Swati Piramal, executive director of strategic alliances and communications at Piramal, claimed that the i-pill brand had been "instrumental in building awareness about the emergency-contraceptive category in India".

Commenting on the deal, Amar Lulla, joint managing director of Cipla, said the decision to sell the i-pill brand was driven by the Indian company's current focus on domestic prescription products.

Cipla was pleased that the brand had been acquired by a fellow Indian company with a strong OTC portfolio, Lulla noted, adding that Cipla was sure Piramal would successfully accelerate the brand's growth.

The i-pill brand joins an OTC product portfolio at Piramal which generated sales of Rs759 million in the year ended 31 March 2009, an increase of 10.8% over the previous year. Piramal's OTC brands include the Lacto Calamine skincare range, the Polycrol antacid, the Supractiv Complete nutritional supplement and the Saridon pain reliever.

Piramal had been an "active player" in the country's OTC space for the past few years, the company noted, with a strong distribution reach covering pharmacies and general stores. The Indian OTC market was estimated to be worth approximately US$1.8 billion (€1.3 billion), Piramal pointed out, and was growing at 18% annually.

Ajay Piramal, chairman of Piramal, said the company believed that as the OTC segment in India was still in its infancy it would provide high-growth opportunities going forward.

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IN BRIEF

■ **NOVARTIS** is looking to raise US$5.0 billion (€3.7 billion) through a bond issue, as it prepares to acquire a majority stake in eyecare company **Alcon** for US$28.1 billion. The firm said the proceeds from the bond issue would be used for "intercompany refinancing purposes" connected to the Alcon deal as well as for general corporate purposes. Novartis announced in January that it would add Nestlé's 52% stake in Alcon to its existing 25% holding (**OTC *bulletin***, 20 January 2010, page 5).

OTC

Mergers & Acquisitions

Valeant agrees deals in Brazil

Valeant Pharmaceuticals International is boosting its presence in Brazil by acquiring an unnamed branded generics and OTC company for approximately US$28.0 million (€20.7 million).

In addition, the US-based company is buying a manufacturing plant in the Latin American country for a further US$28.0 million.

Both acquisitions were expected to close in the second quarter, Valeant said.

The unnamed Brazilian company generated sales of around US$19 million in 2009, Valeant noted, from a product portfolio that was largely made up of dermatology brands, but also included some anti-allergy, anti-inflammatory and pain-relief products.

Michael Pearson, Valeant's chairman and chief executive officer, said the company was "excited to advance our dermatology presence in the Brazilian market, which is one of the leading dermatology markets worldwide". He added that the acquisition brought the company closer to building the required critical mass in the Brazilian pharmaceutical market.

Pearson noted that buying the 16,500sq m manufacturing facility – which could produce solids, semi-solids and liquids – would allow Valeant to close its existing "sub-scale manufacturing facility" and eliminate the need to use third-party manufacturers.

Meanwhile, Valeant saw worldwide turnover move ahead by 26% to US$831 million in 2009. OTC products generated 14% of the company's sales. Originator prescription drugs produced a further 52%, with generic prescription drugs, including some branded generics, responsible for the remaining 34%.

Product sales by the company's Specialty Pharmaceuticals division – including its OTC brands – grew by a third to US$404 million. Sales of branded generics in Latin America improved by 14% to US$155 million, but in Europe they fell by 1% to US$152 million.

The income from continuing operations was US$258 million, compared with an operating loss of US$207 million a year earlier.

The results reflect a year of acquisition activity, which saw Valeant buy Canada's Laboratoire Dr Renaud (**OTC *bulletin***, 18 December 2009, page 7), and Australia's Private Formula International (**OTC *bulletin***, 16 October 2009, page 3). It also made acquisitions in Poland, including gel specialist Emo-Farm.

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Annual Results

Celesio seeks new ideas after retail loss

Celesio is searching "outside the box" for ideas to develop its Patient and Consumer Solutions division, said chairman Fritz Oesterle, after goodwill impairment charges ensured the division reported a loss before interest and tax of €26.8 million in 2009.

Profits at the dominant Pharmacy Solutions division, however, grew by 1.5% on sales which improved by a similar amount.

Over €200 million was wiped off earnings before interest and tax (EBIT) at the Patient and Consumer Solutions division's Retail Pharmacies business after Celesio cut the goodwill valuations in its Dutch, Irish and Italian retail operations due to government measures (**OTC *bulletin***, 16 October 2009, page 1).

Celesio also slashed €71.0 million off the goodwill valuation of its DocMorris franchise in October, after admitting its plans for the virtual pharmacy business had been too ambitious.

These cuts were the primary reason behind the overall loss at the Patient & Consumer Solutions division. While the Retail Pharmacies business still produced an EBIT of €54.2 million, the Other Business Areas segment, including DocMorris, recorded a loss before interest and tax of €74.1 million (see Figure 1).

Sales at Patient and Consumer Solutions – which also includes the Mail-Order Pharmacies business as well as Retail Pharmacies and Other Business Areas – dropped by 3.2% to €3.44 billion in 2009, primarily due to negative currency effects (see Figure 2). In local-currency terms, turnover grew by 4.5%, Celesio pointed out.

Oesterle said the focus of the Patient and Consumer Solutions division had now shifted from acquiring existing pharmacies to opening new ones and, where possible, expanding the mail-order business.

The pan-European wholesaler and retailer also expected "good opportunities" to grow its consumer businesses through "brand partnerships, franchises and franchise-like systems".

"We are thinking outside the box for ideas of how to develop business in our Patient and Consumer Solutions division for every country in which it operates," Oesterle said. "This includes reviewing our product-range policies for an exact match to customer needs as well as tapping into new growth potential."

Celesio's Retail Pharmacies business reported sales down by 4.5% to €3.18 billion for the year, a decline that was blamed on the weak British pound and Norwegian kroner. In local currencies, turnover increased by 3.7%.

As of 31 December 2009, Retail Pharmacies was operating a total of 2,296 pharmacies across seven European countries (see Figure 3), down from 2,337 a year earlier. With the aim of boosting efficiency, 69 pharmacies had been closed or sold, Celesio noted, primarily in the UK's Lloydspharmacy chain.

Only 13 pharmacies were acquired during the year, compared to 85 in 2008. The business opened 15 new pharmacies, one less than 2008.

Business	Annual EBIT (€ millions)
Retail Pharmacies	*54.2*
Mail-Order Pharmacies	*-6.9*
Other Business Areas	*-74.1*
Patient and Consumer Solutions	-26.8
Pharmacy Solutions	341.8
Other	-77.4
Total Celesio	**237.6**

Figure 1: Celesio's earnings before interest and tax (EBIT) in 2009 by business (Source – Celesio)

Business	Annual sales (€ millions)	Change 2008/2009 (%) €	Change 2008/2009 (%) Local currencies
Retail Pharmacies	*3,180*	*-4.5*	*+3.7*
Mail-Order Pharmacies	*257*	*+16.4*	*+16.6*
Other Business Areas	*5*	*+29.9*	*+29.9*
Patient and Consumer Solutions	3,442	-3.2	+4.5
Pharmacy Solutions	17,542	+1.9	+4.0
Other	513	–	–
Total Celesio	**21,497**	**+1.6**	**+4.6**

Figure 2: Celesio's sales in 2009 broken down by business (Source – Celesio)

Country	Annual sales (€ millions)	Change 2008/2009 €	Change 2008/2009 Local currencies	Number of pharmacies
UK	1,994	-7.3	+3.9	1,667
Norway	465	-1.8	+4.4	169
Italy	204	+0.2	+0.2	162
Netherlands	173	+2.9	+2.9	67
Ireland	153	-1.3	-1.3	72
Belgium	136	+4.2	+4.2	110
Czech Republic	55	+11.9	+18.5	49
Total	**3,180**	**-4.5**	**+3.7**	**2,296**

* As at December 2009

Figure 3: Celesio's Retail Pharmacies' sales in 2009 and number of branches per country (Source – Celesio)

New openings in Sweden

This focus on openings was demonstrated in Sweden, where the Retail Pharmacies business opened its first DocMorris Apotek pharmacy in February (**OTC *bulletin***, 26 February 2010, page 2). As of March 2010, five DocMorris Apotek stores had been opened in Sweden, the company noted, adding it planned to open 20-30 stores annually until it had 100.

Celesio announced its plans to enter the Swedish pharmacy market in July last year (**OTC *bulletin***, 31 July 2009, page 3). The firm decided against buying any of the state-owned Apoteket pharmacies the Swedish government had put up for sale when it liberalised the country's pharmacy market, and instead said it would establish its own entirely new chain as this required "the least amount of start-up capital".

Meanwhile, in Celesio's biggest retail market, the UK, its Lloydspharmacy chain had developed well despite the difficult economic environment, the company said, with sales in local currencies growing by 3.9% despite operating 48 fewer stores at the year end than in 2008. In actual terms, sales fell by 7.3% to €1.99 billion, primarily due to the weak British pound.

Celesio pointed out that, in contrast to the rest of Europe, sales of non-pharmaceuticals at its Norwegian stores had developed "very well", driven by sales of Vitusapotek-branded toiletries.

The company's Dutch pharmacies – which posted sales up by 2.9% to €173 million – had seen their earning power reduced by the government, which had introduced generics tendering in all but name. Added to the difficult economic

climate, this had led to an €86.8 million goodwill write-down at Celesio's Dutch operation.

Government cost-cutting measures had hit prescription revenues at the firm's Italian pharmacies, Celesio said. Thanks to growth in other business areas, however, sales had edged up by 0.2% to €204 million. Nevertheless, the government measures, along with wider, non-pharmacy distribution of non-prescription medicines, were blamed by Celesio for the €31.3 million write-down of its Italian pharmacy business.

In Ireland, the market had "deteriorated significantly" during 2009, Celesio pointed out, as the country had been hit hard by the global economic crisis. In October, Celesio cut the goodwill valuation of its Irish chain by €85.2 million, as the economic crisis hit sales of non-prescription products and the government cut reimbursement prices. Celesio's retail sales in Ireland dropped by 1.3% to €153 million for 2009.

Away from the Retail Pharmacies business, Celesio's mail-order operations enjoyed a positive 2009. Sales increased by 16.4% – 16.6% in local currencies – to €257 million, driven by the growth of the Apotheke DocMorris business in Germany. Sales of prescription and non-prescription products at Apotheke DocMorris both improved significantly, Celesio said, aided by television advertising and a new website.

The smaller Lloydspharmacy mail-order business in the UK had developed well, Celesio said, noting that it had also launched a Vitusapotek mail-order operation in Norway during the year.

In the Other Business Areas segment, Celesio admitted the €71.0 million loss of goodwill at its DocMorris franchise business in Germany had been a result of operating failures. It had intended to sign up 500 pharmacies to the virtual pharmacy chain by 2011, but this would not now happen until 2015 at the earliest.

Optimising DocMorris in Germany

Oesterle said that Celesio had begun optimising product ranges, marketing and service offerings at DocMorris franchise pharmacies in Germany to ensure that the partnership remained the "most attractive concept by far for pharmacists, patients and end consumers".

At the dominant Pharmacy Solutions division, which includes Celesio's Wholesale business, sales grew by 1.9% to €17.5 billion. In local currencies, the rise was 4.0%. EBIT increased by 1.5% to €342 million.

The impairment charges at the Patient and Consumer Solutions division led to Celesio's total EBIT dropping by 7.3% to €238 million.

Group sales experienced a 1.6% improvement to €21.5 billion. In local-currency terms, sales grew even faster, increasing by 4.6%.

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Annual Results

NeutraHealth to introduce Brunel in mainland Europe

NeutraHealth plans to extend the reach of its Brunel own-label and contract manufacturing business into mainland Europe, as the UK-based supplements specialist explores new ways to drive its sales and profits.

Brunel had been working on a "number of leads in European markets", NeutraHealth said, adding that similarities to the UK were key. There had to be an acceptance of own-label products and consumers had to be able to self-select healthcare products, a spokesperson for NeutraHealth told **OTC *bulletin***, noting the presence of large retailers was also essential.

However, deals in mainland Europe were not expected until 2011 at the earliest, added the spokesperson.

In the near-term, further penetration of the UK retail market, expanding Brunel's product portfolio and winning new contract-manufacturing business would help drive sales at the business, NeutraHealth stated. Brunel would hunt for low-cost sources of quality materials and leverage its scale to ensure it was the lowest cost provider in its markets.

Brunel reported turnover of £26.4 million (€29.5 million) in 2009, while its earnings before interest, tax, depreciation and amortisation (EBITDA) for the year stood at £1.4 million. Like-for-like revenue increased by 6.6%.

However, NeutraHealth noted that £1.0 million of the division's EBITDA had resulted from a "lucrative licensing contract" that had been in place when it acquired Perrigo's UK vitamin, minerals and supplements and contract manufacturing business in 2008 (**OTC *bulletin***, 30 June 2008, page 7).

Although the contract would only deliver a further £0.5 million before expiring in June, NeutraHealth said it had already secured cost savings that would more than replace the loss of earnings once the contract ended.

Brunel represented 76% of NeutraHealth's total sales, which increased by 20% to £34.6 million in 2009. EBITDA grew even faster, rising by 21% to £2.3 million.

The majority of NeutraHealth's remaining sales came from BioCare, its smaller branded vitamins and supplements business which targets general practitioners and independent pharmacies. BioCare's turnover was flat at £7.6 million, NeutraHealth said, as UK sales declined at the start of the year before returning to growth in the autumn. Export sales grew by 16.7% to £1.4 million.

Priority is improving profitability

Looking ahead, Ray Myers, NeutraHealth's chief executive officer, said improving profitability was a major priority for NeutraHealth in 2010 now that the company had undergone "considerable operational improvements".

Reducing input costs, targeting new customer accounts and introducing new products to the company's portfolio, would all help to increase profits, Myers said, adding that the company was now in a "strong position to grow in the coming years".

Following the close of the year, NeutraHealth disposed of the loss-making Nutrigold business, which had formed part of BioCare (**OTC *bulletin***, 10 February 2010, page 12). Explaining the decision, the company stated Nutrigold's prospects as part of BioCare were poor and revenue had dropped to £0.6 million from £1.0 million in the four years since it had acquired the business.

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Retailing

DocMorris adds to Irish presence

Celesio has opened a second pharmacy in Ireland under its DocMorris brand. The new outlet in the centre of Limerick follows a "successful pilot project" in Dublin (**OTC *bulletin***, 19 June 2009, page 3).

"The pilot project had proven that Irish consumers are attracted by the brand," commented Thomas von Künsberg Sarre, who is responsible for DocMorris community pharmacy business. The Limerick store would offer medicine prices that were "clearly lower than in other pharmacies", he promised.

Fritz Oesterle, Celesio's chief executive officer, recently said the company was "evaluating whether to continue its pharmacy operations" in Ireland, Italy and the Netherlands (**OTC *bulletin***, 20 January 2010, page 6).

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Distribution Agreements

BioGaia signs Argentina deal

Sweden's BioGaia is expanding the Latin American reach of its probiotic drops and tablets to Argentina through a further distribution agreement with the Swiss company Ferring Pharmaceuticals.

The deal gives Ferring the right to sell BioGaia-branded drops and tablets containing the probiotic *Lactobacillus reuteri* in Argentina. Regulatory approval would now be sought, BioGaia stated, with product launches anticipated in the first half of 2011.

BioGaia already has agreements with Ferring covering several Latin American countries, including Brazil and Mexico (**OTC *bulletin***, 31 August 2007, page 8). The two companies also have deals covering Canada, the Czech Republic, Greece, Portugal, Spain, Trinidad and Tobago, as well as a number of countries in the Middle East.

The Chilean pharmaceutical company Corporación Faramacéutica Recalcine holds the exclusive rights to the probiotic tablets and drops in Chile and a few other countries (**OTC *bulletin***, 14 September 2007, page 2).

Meanwhile, BioGaia has also signed a distribution agreement for its probiotic drops in Indonesia with local pharmaceutical company Interbat. The drops are expected to be launched under the BioGaia brand name during the first quarter of 2011.

Knowledge of probiotics among Indonesia's population of 230 million was fairly high, BioGaia observed, so the potential market was large despite the low level of private income.

BioGaia probiotic tablets are already available in Indonesia through Kalbe Farma.

Annual Results

A&D Pharma strengthens despite hostile conditions

A&D Pharma strengthened its leading market position in Romania, improved profitability and expanded internationally while the Romanian healthcare industry had been in the midst of an economic "perfect storm", according to chief executive officer Robert Popescu.

Speaking as A&D Pharma reported 2009 sales up by 3% to €514 million, Popescu said that the company had achieved a "strong" set of results despite the "extremely difficult operating environment".

Popescu warned, however, that the outlook for the Romanian healthcare market remained uncertain, as broader economic problems had compounded concerns over paying for the country's healthcare spending.

Fortunately, Popescu said, A&D Pharma – the Dutch holding company which operates the Sensiblu retailing and Mediplus wholesaling businesses in Romania – had the financial strength to overcome these problems. The outlook for other players, however, was less than certain, he maintained.

Despite the difficult economic climate, A&D Pharma had met a number of key strategic goals during the year, Popescu insisted.

It had strengthened its position in its domestic market, Popescu said, while at the same time expanding its geographic footprint into other central and eastern European markets, transforming itself into a "major regional player".

After revealing in October last year that it was negotiating to acquire several pharmaceutical players across five countries in central and eastern Europe (**OTC *bulletin***, 16 October 2009, page 4), A&D Pharma announced in January that it had agreed to purchase Bulgaria's Arishop Pharma AD and its local subsidiary, as well as Romania-based Ozone Laboratories' businesses in the Czech Republic, Hungary, Poland and Slovakia (**OTC *bulletin***, 20 January 2010, page 5).

The company's profitability had also improved, Popescu added, with group operating profits more than doubling to €35.1 million.

Looking at A&D Pharma's business units, the 225-strong Sensiblu pharmacy chain reported turnover up by 23% to €191 million. Operating profit was €6.9 million, compared with an operating loss of €4.4 million in 2008.

Mediplus recorded wholesaling revenue – including intra-company sales – up by 16% to €380 million, while the operating profit nearly quadrupled to €28.3 million, as the company "defended" margins by putting profitability before market share.

Turnover at the company's sales and marketing operation had dropped to €42.4 million from €98.6 million, A&D Pharma said, due to a "restructuring of the supplier portfolio and reclassification of products between the wholesale and sales and marketing divisions". Operating profit fell from €20.5 million in 2008 to €6.9 million last year.

Looking ahead, Popescu said that despite the uncertain market conditions, the company was "excited" about its long-term prospects. A&D Pharma was "very strongly positioned" to take the significant opportunities for growth in central and eastern Europe, he claimed.

IN BRIEF

■ **SINOPHARM GROUP** is set to acquire the Chinese state-owned distribution firm Guangdong Dong Fang Uptodate & Special Medicines for CNY95 million (€10 million). Sinopharm has also agreed to buy Hebei Traditional & Herbal Medicine for CNY27 million.

■ **THE CO-OPERATIVE PHARMACY** – the UK's third-largest pharmacy chain – reported a 21% decline in operating profits to £29.9 million (€33.2 million) in the 51 weeks ended 2 January 2010. Sales edged up by 0.13% to £745 million.

Business Strategy/Annual Results

Bionorica is keen to keep expanding

Bionorica said it planned to establish a presence in more European countries after a strong performance in Poland and growth ahead of the average in its domestic market enabled the German herbal medicines specialist to increase its group turnover by 7.7% to €140 million last year.

In Poland, sales had increased by 12.3%, Bionorica said, even though the local pharmaceutical market had declined amid the economic crisis. And while the OTC markets of Russia and Ukraine had shrunk for similar reasons, the German company said its turnover in key international markets had risen by 3.6%.

In Germany, Bionorica said it accounted for one in 10 of every herbal medicine packs sold, making it market leader by volume.

Last year, German pharmacies sold 7.8 million packs of the firm's Sinupret combination cold remedy. In total, Bionorica shipped 32.5 million packs, of which two-thirds were solid-dose medicines and the remaining third were liquid formulations.

Business Strategy/Annual Results

Galenica plans host of OTC launches

Switzerland's Galenica is set to boost its Vifor Pharma Consumer Healthcare business by launching a host of line extensions to its OTC brands in its home market during 2010.

Additions to the Equazen eye q products, Perskindol topical pain-relief range and Antibrumm insect repellents will all be introduced in 2010, as the business looks to bounce back from a 6.0% decline in Swiss sales to SFr79.7 million (€55.7 million) in 2009 caused by the end of its collaboration in the country with 3M. Total sales by the business dropped by 11.7% to SFr108 million (**OTC *bulletin***, 10 February 2010, page 11).

Consumer Healthcare's leading brand, the eye-health supplement Equazen eye q (see Figure 1), had been boosted with a new liquid formulation in January, Galenica said, while Equazen eye q sachets were set to be launched during the fourth quarter of the year. Sales of Equazen eye q declined sharply in 2009, falling by 16.2% to SFr14.6 million as the poor economic environment took its toll, particularly in the UK.

Three new products would be added to the Perskindol line, Galenica noted, as the company sought to lift turnover following a flat 2009. Perskindol Active Patch had been introduced earlier this month, Galenica noted, while the Perskindol Dolo Hot Patch would be launched in the fourth quarter of 2010. Meanwhile, in June or July a product containing glucosamine and chrondroitin to help preserve joint health would be introduced under the Perskindol Actiflex name, the company added.

Product	Annual sales (SFr millions)	Change (%)
Equazen eye q	14.6	-16.2
Perskindol	13.7	-2.3
Algifor	10.4	+10.3
Triofan	9.7	+1.7
Otalgan	4.4	-38.4
Antibrumm	3.1	-21.2
Other brands	52.0	–
Total	**107.9**	**-11.7%**

Figure 1: Sales in 2009 by Galenica's Vifor Pharma Consumer Healthcare business (Source – Galenica)

The Antibrumm line of insect repellents had been supplemented with the launch of a product formulated against tick bites, Galenica noted. In 2009, Antibrumm's sales declined by 21.2% to SFr3.1 million.

In addition to the line extensions, a range of hair fortifying and restoring products would be launched in April under the Revalid brand name. It would comprise a shampoo and ampoules.

The newcomers would also be launched in markets outside of Switzerland, Galenica said, but timings had still to be decided.

Expanding Consumer Healthcare's brands internationally would play a part in growing its sales, Galenica insisted. Equazen and Perskindol would lead the way, the company said, but it was also looking to launch its Otalgan ear-care brand in certain "interesting" markets in western Europe and South America.

In Switzerland, a number of measures had been taken to optimise and reinforce communications with pharmacies and drugstores, the company noted, while its leading brands would also benefit from consumer marketing.

Under the VIFINFO – Vifor Informs! – campaign, various new communication tools had been developed and launched, Galenica said, including a new website which enabled pharmacies and drugstores to place orders online or access information about services and products.

A further focus for Consumer Healthcare in 2010 will be integrating OM Pharma.

Galenica has launched Equazen liquid (pictured left) and Perskindol Active Patch (right) this year

Purchased at the end of October last year (**OTC *bulletin***, 16 September 2009, page 3), OM Pharma generated sales of SFr16.6 million between 1 November and 31 December. Including the two months of sales from OM Pharma, Consumer Healthcare's sales would have grown by 1.9% to SFr125 million, instead of falling, Galenica pointed out.

OM Pharma's leading brands Broncho-Vaxom, Uro-Vaxom, Doxium and Dicynone – which are prescription-only in 80% of their markets and positioned as such in the remainder – were now among Vifor Pharma's top 10 best-selling products, Galenica pointed out.

Vifor Pharma Consumer Healthcare generated 24.2% of sales by Galenica's Pharma division, which grew by 2.5% to SFr445 million.

Galenica's total group sales in 2009 increased by 7.7% to SFr2.91 billion. Turnover at the dominant Logistics division grew by 1.3% to SFr2.06 billion, while acquiring the Sun Store pharmacy chain pushed up retail sales by 50.4% to SFr838 million. Earnings before interest, tax, depreciation and amortisation (EBITDA), however, dropped by 14.6% to SFr401 million.

OTC

IN BRIEF

■ **SSL INTERNATIONAL** is expecting sales to increase by over 22% to around £795 million (€882 million) for the **year ended 31 March 2010**. The company said its acquisitions in eastern Europe would contribute sales of about £120 million. Excluding the acquisitions, SSL said branded consumer sales – including the Durex and Scholl brands – were expected to be around £630 million, representing underlying growth of about 4%. Turnover from distributor brands, unbranded condoms and contract manufacturing should fall by 25% to £45 million.

■ **GNC** – General Nutrition Centers – said its **sales had increased** by 3.0% to US$1.71 billion (€1.25 billion) in 2009, while operating profit had grown by 6.7% to US$181 million. Retail sales grew by 3.0%, franchise turnover improved by 2.4% and manufacturing/wholesale rose by 4.0%. At the end of 2009, GNC had more than 6,900 outlets – over 5,400 of which were in the US – and had franchise operations in 47 countries. GNC recently said it would start a joint-venture firm in China (**OTC *bulletin***, 26 February 2010, page 9).

■ **NBTY's European Retail business** was the US-based nutritional supplement company's best performer in February, posting sales up by 21% to US$51 million (€37 million). In local currency terms, the growth was a more modest 12%. Wholesale/US Nutrition reported sales up by 19% to US$131 million. North American Retail sales grew by 5% to US$18 million, while Direct Response/E-commerce improved sales by 16% to US$20 million. Total group sales were up by 18% to US$220 million.

OTC

Mergers & Acquisitions

Atrium bolsters Canadian scale

Canada's Atrium Innovations has strengthened its position in its home market by acquiring the assets of vitamin, mineral and herbal supplement manufacturer Trophic Canada – including its Trophic and Wild Rose brands – for around US$11.0 million (€8.0 million).

Trophic's two brands – which cover a range of 150 products – had gained a "solid reputation" in the Canadian healthfood-store channel, Atrium said. Over 900 healthfood stores handled the products, the firm noted, generating annual sales of around US$7.5 million.

Pierre Fitzgibbon, Atrium's president and chief executive officer, said the buy gave the company a "stronger foothold" and "greater visibility" in the Canadian market.

Atrium was a relatively small player in the Canadian market, Fitzgibbon admitted, but this transaction clearly signalled the company's "accelerating emphasis" on growing in multiple distribution channels and its aim of assuming a "major role" in its domestic market.

Trophic had considerable growth potential, Fitzgibbon pointed out, and gave Atrium added distribution strength in Canada and access to speciality retailers in the Canadian market.

Atrium has made numerous acquisitions on both sides of the Atlantic during the past three years, with the majority outside of Canada. Most recently the company paid US$35.0 million for the US-based nutritional supplements company Garden of Life (**OTC *bulletin***, 30 September 2009, page 2).

This aggressive acquisition policy, combined with organic growth, helped push Atrium's sales up by 17.1% to US$320 million in 2009 (**OTC *bulletin***, 17 March 2009, page 11). Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 9.3% to US$80.8 million. Excluding the currency effects, EBITDA would have grown by 12.6% to US$83.2 million, Atrium said.

OTC

IN BRIEF

■ **BOIRON** – the French homoeopathy specialist – noted its **operating income** had increased by 61.0% to €91.8 million in 2009. The result came after the company reported a 12.7% increase in sales to €526 million during the year, driven by its OTC specialties (**OTC *bulletin***, 10 February 2010, page 8).

OTC

Mergers & Acquisitions

DDD snaps up two brands as Ransom cuts portfolio

DDD, owner of the Dendron OTC business, has bought Snufflebabe and Easy Breathe from troubled UK natural products specialist William Ransom & Son for around £0.33 million (€0.36 million) in cash.

Ransom said that together the two brands had generated sales of around £0.35 million and a gross profit of £0.16 million in the year to March 2009. The Easy Breathe range comprises a soothing nose balm and a vapour rub stick, while the Snufflebabe brand consists of a vapour rub formulated for children aged three months and over.

Commenting on the reasons for divesting the brands, Ivor Harrison, Ransom's chief executive officer, said the move fitted with the company's plan to create a "focused, higher-margin, differentiated natural consumer healthcare business".

DDD is paying £0.32 million for the two brands and a further £4,000 for related inventory. Proceeds from the sale would be used to reduce the company's borrowings and for working capital purposes, Ransom noted.

Snufflebabe and Easy Breathe are the latest brands to be sold as part of Ransom's turnaround plan launched in September 2008. This has seen the company sell off numerous OTC lines and put its UK contract manufacturing business up for sale (**OTC *bulletin***, 29 September 2008, page 6).

Already in 2010, Ransom has divested its Metanium nappy-rash brand to Thornton & Ross (**OTC *bulletin***, 20 January 2010, page 3), sold its honey-based Manuka Gold brand to Honey New Zealand International (**OTC *bulletin***, 10 February 2010, page 13), and terminated its supply and licensing agreement for the Medibee honey brand (**OTC *bulletin***, 26 February 2010, page 11).

David Suddens, Ransom's non-executive chairman, warned in January that the future of the company remained uncertain (**OTC *bulletin***, 20 January 2010, page 4).

OTC

Mergers & Acquisitions

Perrigo buys into infant-formula market

■ *Continued from front page*

and Mexico as well as the US.

The deal is in line with Perrigo's strategy of moving into adjacent consumer categories (**OTC *bulletin***, 16 October 2009, page 8). Infant-nutrition was identified by Perrigo as a possible target, with sales in the US alone worth US$5.9 billion annually.

Joseph Papa, Perrigo's chairman and chief executive officer, said acquiring PBM would give Perrigo store-brand leadership in another important product category for its US retailer customers. He added that PBM's presence outside of the US provided the combined business with "further opportunities to grow in key global markets".

"Just as Perrigo developed the OTC store-brand market over the past several decades," Papa claimed, "PBM created the store-brand value proposition within the highly-regulated, infant-formula space."

"We believe that PBM's mission to provide families with high-quality, state-of-the-art formulas at sensible prices complements perfectly Perrigo's mission to deliver quality, affordable healthcare to consumers," he added.

PBM is expected to add US$300 million in sales to Perrigo, which reported turnover from its Consumer Healthcare, Prescription Pharmaceuticals and Active Pharmaceutical Ingredients divisions of US$2.01 billion in the year ended 27 June 2009 (**OTC *bulletin***, 31 August 2009, page 10).

Although dominated by its infant-formula business, PBM also manufactures paediatric nutritionals, products for diabetics, prescription pharmaceuticals, baby-bottle liners and an adult soy nutritional drink.

A spokesperson for Perrigo told **OTC *bulletin*** that details of how PBM would be integrated into the company would not be discussed until after the deal had been completed.

The deal for PBM comes less than a month after Perrigo expanded its Consumer Healthcare business into Australia by acquiring Orion Laboratories for about US$48 million in cash (**OTC *bulletin***, 17 March 2010, page 3).

Perrigo said it still had the financial flexibility to make additional investments.

OTC

Mergers & Acquisitions

Scolr acquires Nuprin ibuprofen brand

Scolr Pharma said that it planned to launch a range of OTC ibuprofen products in the US after it acquired the Nuprin name from Advanced Healthcare Distributors, a subsidiary of the US-based drugstore chain CVS Caremark, for US$180,000 (€133,126).

Stephen Turner, Scolr's president and chief executive officer, told **OTC *bulletin*** that acquiring the "globally recognised" Nuprin name meant the company could launch immediate-release 200mg ibuprofen products "with less effort than establishing a new unknown brand name", and possibly even this year.

First, however, Scolr would research the brand's equity, consumer recognition and "most importantly" its positioning, Turner said, so the company could determine the most appropriate marketing strategy. The timing of any launch would come from this work, he noted.

Turner added that although the brand would initially be relaunched in the US, Scolr was thinking globally and had export plans.

Nuprin was one of the first OTC ibuprofen brands to be launched, Scolr pointed out, adding that it had been previously owned and managed by Bristol-Myers Squibb's former consumer healthcare business.

Under the terms of the deal, Scolr said it had gained all "right, title and interest" to the Nuprin name held by Advanced Healthcare Distributors along with its portfolio of global registrations, excluding Canada.

The acquisition had also given Scolr a brand name under which it could launch the 12-hour controlled-release OTC ibuprofen tablet it currently had under development, Turner pointed out. Patients would only have to take tablets every 12 hours instead of on three occasions.

A phase III study on the controlled-release product had been successfully completed, Scolr noted, and the company expected to be in a position to submit a New Drug Application (NDA) for the product to the US Food and Drug Administration (FDA) once an 'actual use study' had been completed.

Scolr was working with the FDA to ensure the planned 'actual use study' would meet the agency's requirements, Turner said, adding that the company expected to be in a position to complete the study and to submit the NDA in 2010 or early 2011.

The company also has a patent-protected 12-hour pseudoephedrine-based decongestant under development. Scolr claims the product would be a third of the size of current OTC products and could be launched this year.

Scolr submitted an Abbreviated New Drug Application (ANDA) for the product in 2008 and received a complete response letter from the FDA in January 2009, which noted some minor deficiencies. Scolr said these deficiencies were under review and it anticipated gaining approval for the product in 2010.

OTC

Mergers & Acquisitions

Israeli group Teva to buy Ratiopharm

■ *Continued from front page*

German firm's earnings before interest, tax, depreciation and amortisation (EBITDA) of €307 million – was towards the lower end of recent generics industry multiples.

Proforma 2009 sales by the combined company were US$16.2 billion (€11.9 billion), including US$5.2 billion in Europe.

Annual cost synergies of US$400 million would be realised within three years, Yanai said, highlighting opportunities to eliminate overlaps in national infrastructure and research and development pipelines, as well as to use Teva's active pharmaceutical ingredients (APIs) to reduce Ratiopharm's cost of goods.

Ratiopharm was put up for sale in January 2009 following the news that the company's founder – the billionaire German businessman Adolf Merckle – had committed suicide after his business empire ran into difficulties (**OTC *bulletin***, 29 January 2009, page 1).

The company's owner, VEM Vermögensverwaltung, launched the sale process in September (**OTC *bulletin***, 30 September 2009, page 1).

OTC

Joint Venture/Annual Results

Quigley forms OTC products joint venture

The Quigley Corporation has teamed up with Australian biotechnology firm Phosphagenics to form a joint-venture company to develop a "wide range of non-prescription remedies for worldwide distribution and sale".

The joint venture, called Phusion Laboratories, would combine Phosphagenics' research teams with Quigley's US distribution network and OTC marketing experience to introduce "powerful" OTC products, insisted the US-based manufacturer of Cold-EEZE.

Quigley pointed out that products from the joint venture would use Phosphagenics' proprietary, patented TPM technology.

Described as a "patient-friendly and cost-effective system used to deliver pharmaceutical and nutraceutical products", the TPM delivery technology had the ability to increase the amount and depth of penetration of active molecules into the skin, Quigley noted.

TPM's capabilities had been "compellingly demonstrated in human clinical trials", Quigley said, and it had been effective in delivering OTC molecules orally, topically and via inhalation.

Harry Rosen, chief executive officer of Phosphagenics, maintained that "extraordinary OTC products" would come out of the joint venture in therapy areas like acne treatment and smoking cessation where irritation was a major issue. "Our technology has demonstrated that it can deliver products more effectively than other commercial methods, while significantly reducing irritation," Rosen claimed.

Quigley and Phosphagenics will each own 50% of Phusion Laboratories. Phusion has been granted worldwide, exclusive, royalty-free rights to the TPM technology for use in a wide range of non-prescription products.

Quigley said it would make a one-time payment to Phosphagenics of US$1.0 million (€0.7 million) and issue the company with 1.44 million shares of Quigley common stock.

Quigley has also contributed US$0.5 million in initial capital and committed up to US$2.0 million towards developing and manufacturing new products for the Phusion joint venture to commercialise.

In 2009, Quigley reported sales down by 3.4% to US$19.8 million. The company's operating loss was cut from US$6.41 million in 2008 to US$3.84 million.

OTC

IN BRIEF

■ **DIAPHARM** – the German pharmaceutical services group – is in negotiations with potential partners in "several European countries" to market a **eubiotic medical device** that is said to help restore healthy intestines after a bout of diarrhoea. Together with the contract manufacturer Med Pharma Service, Diapharm has developed the eubiotic strain *Lactobacillus johnsonii* on a commercial scale and has registered it as a Class III medical device that comes as hard capsules. Project leader Annemarie Jasper said Diapharm could take on the legal role of certified manufacturer, allowing its licensing partners to launch immediately. Find out more by emailing annemarie.jasper@diapharm.de.

OTC

Regulatory Affairs

McNeil makes promises to FDA but told corrective plans may fail

McNeil Consumer Healthcare has responded to its January Warning Letter from the US Food and Drug Administration (FDA) with a corrective action plan. This addresses the issues raised by the FDA that resulted in the company voluntarily recalling certain brands made at its Las Piedras facility in Puerto Rico, including Tylenol, as a result of possible product contamination.

However, the plan has been criticised by the National Wooden Pallet and Container Association, which has complained its products had been made the "scapegoat" for the problem, and said McNeil's plan would not prevent future contamination.

"McNeil recognises the seriousness of this situation and has identified this corrective action plan as our top priority," president Peter Luther has written to the FDA office in San Juan, Puerto Rico. In his letter, he says that the firm has enhanced its quality system, made organisational changes and introduced greater oversight by senior management.

Luther says the "primary root cause" of the contamination – that had led to consumers complaining of "an unusual mouldy, musty or mildew-like odour" (**OTC *bulletin***, 10 February 2010, page 22) – was a breakdown product of 2,4,6-tribromophenol (TBP) used to treat the wood used in wooden pallets. This breakdown product – 2,4,6-tribromoanisole (TBA) – had caused the uncharacteristic smell.

"We traced TBA from certain bottles to wood pallets, and then, more specifically, to wood used to build the pallets that had been treated with TBP," Luther explains. "Once we confirmed via analytical testing that these wood pallets were treated with TBP and were likely to be the primary cause of the TBA, we expanded our review to include other sites that had received these pallets and decided to initiate the very broad recall of any potentially-impacted products."

However, Bruce Scholnick, who is president and chief executive officer of the wooden pallet trade association, said: "We believe that the purported theory was an attempt to identify a scapegoat that would cause McNeil the least amount of inconvenience. The chemical causing the contamination has a stronger affinity for plastic than it does for wood, but if the problem is in the plastic bottles that house the pills, then McNeil has a much more difficult problem on its hands."

Scholnick highlighted a similar incident in which the shipping container itself had been "tainted with TBA" which had spread to the pallets and the product. "This remediation plan will not prevent a future contamination," he said.

McNeil's failures to investigate the problem thoroughly, including the examination of other batches of the same product and alerting the authorities – despite numerous consumer complaints – were highlighted by the FDA's Warning Letter. In his response, Luther lists changes to McNeil's complaint-review process and to its complaint-handling and investigation procedures.

OTC

Regulatory Affairs

OTCs still excluded from information report

Excluding non-prescription medicines from proposed European legislation giving the public more access to information about prescription medicines has not been challenged by the European Parliament's principal rapporteur on the proposals.

In his two draft reports for the Parliament's leading environment committee (ENVI) – for amending the existing pharmaceutical directive and regulation – member of the European Parliament Christofer Fjellner believes that the focus should be shifted from pharmaceutical companies' right to inform to patients' right to know. Moreover, making information available to the public should be based on the 'pull principle' – available to patients who want to know – and the legislation should in no circumstances restrict patients or the media expressing their views on medicines and treatments.

The deadline for committee members to table amendments to the Commission's proposals – contained in the so-called 'Pharma Package' tabled in December 2008 (**OTC *bulletin***, 18 December 2008, page 1) – is 13 April and the committee will vote in June. The full European Parliament plenary vote is timetabled for the September session.

OTC

Promoting Self-Medication

UK report highlights savings of £2 billion

About £10 billion (€11 billion) could be saved by the UK's National Health Service (NHS) over the next five years simply by curbing public demand for treating minor ailments, says a new self-care report partly sponsored by the Proprietary Association of Great Britain (PAGB).

The report – called 'Self Care: An Ethical Imperative' – is said to reveal "the catastrophic impact of the public's dependence on the NHS". More than 50 million consultations annually for minor ailments are "testament to an NHS addressing demand rather than need", according to the report's sponsors, the Self Care Campaign.

Of the 57 million consultations involving a minor ailment, 51.4 million were for minor ailments alone, the report says. This is nearly one-fifth of general practitioners' workload at an estimated annual cost of £2 billion.

"With the NHS Confederation forecasting a £20 billion shortfall in NHS funding over the next five years, a shift in behaviour around treating minor ailments could save the NHS £10 billion during that time, without any cuts to services whatsoever," the campaigners say.

"All political parties" have been called upon to support greater self-care. People should be encouraged "to be confident in their self-care choices", say the campaigners, who include healthcare professionals from the Royal College of General Practitioners, NHS Alliance and the National Association of Primary Care, as well as the PAGB.

The campaigners also want the government to help patients feel confident enough to use the NHS "at the point of need, not demand". They suggest an education campaign to help people "understand and manage minor ailments" better. Such messages should also be included in the national curriculum, they say, to ensure that children understand health issues and how to use the NHS "effectively and appropriately".

Coinciding with the campaign's launch, 16 of the campaigners, including the PAGB's executive director Sheila Kelly, had a letter published in *The Times* newspaper.

In Australia, meanwhile, the Australian Self-Medication Industry (ASMI) has joined forces with pharmacy groups to urge the government to address a shortage of general practitioners by encouraging people suffering from minor ailments to visit pharmacies.

OTC

Launches

Femarelle targets menopausal women

"The safe and effective approach to menopause and bone health," is Passion For Life Healthcare's on-pack promise to Britons for new Femarelle.

The company said that the food supplement was a "viable alternative treatment to hormone-replacement therapy with all the benefits and none of the risks".

Passion for Life is backing the launch with a £1.1 million (€1.2 million) advertising and promotional campaign targeting the 3.5 million women in the UK who suffer from menopausal symptoms. Furthermore, the company is running a £1.2 million sampling initiative, whereby menopausal women will be offered one month's free supply of the product.

Passion for Life Healthcare is positioning its Femarelle food supplement for menopausal women as an alternative to hormone-replacement therapy with "all the benefits and none of the risks"

Alex Duggan, managing director of Passion for Life, maintained Femarelle was "the single most significant advancement for women's health in decades".

According to Passion for Life, Femarelle acted as a "novel" Selective Estrogen Receptor Modulator (SERM). The company said it contained a complex of phytoestrogens – including coumestans, lignans and isoflavones – together with flaxseed.

Femarelle comes in packs of 56 two-a-day capsules with a recommended retail selling price of £24.95. Packs carry the strapline "Endorsed by leading experts".

The product is already available in Australia, Finland, Greece, India, Israel, Lithuania, Norway, Spain and the US.

OTC

Launches

Store-brand firm Perrigo moves into ophthalmics

Store-brand specialist Perrigo has entered a new product category in the US with the launch of a generic version of Novartis' Zaditor antihistamine eye drops.

Chairman and chief executive officer Joseph Papa said Perrigo was "excited" to launch a product into the ophthalmics category.

The move is in line with Perrigo's plans announced last year to expand into the few remaining areas of the US consumer healthcare market where it has not already made its mark.

The company, which had consumer healthcare sales of US$1.64 billion (€1.22 billion) in the year to June 2009, said it was considering entering nine product categories with a combined retail market value of US$16.7 billion that satisfied the "economic fundamentals" required by the OTC store-brand leader (**OTC *bulletin***, 16 October 2009, page 8). Eyecare, diagnostic test kits and infant nutrition were among the nine categories.

Quoting data from Wolters Kluwer, Perrigo noted sales of Zaditor eye drops – a 0.025% ketotifen fumarate ophthalmic solution – were an estimated US$15 million in the US over the past 12 months.

Zaditor eye drops were approved for OTC sale in the US in 2006 by the Food and Drug Administration (FDA) with the indication of "temporary prevention of itchy eyes due to allergic conjunctivitis" caused by seasonal or perennial allergens (**OTC *bulletin***, 31 October 2006, page 11). The prescription-strength medicine is suitable for adults and children aged over three years.

Perrigo has just started shipping store-brand versions (pictured right) of Novartis' Zaditor antihistamine eye drops (left) in the US

Perrigo's store-brand versions will compete with a number of other antihistamine eye drops containing the active ingredient 0.025% ketotifen fumarate, including Bausch & Lomb's Alaway antihistamine eye drops (**OTC *bulletin***, 25 January 2007, page 4).

In addition, McNeil Consumer Healthcare offers Zyrtec Itchy Eye Drops and Schering-Plough markets Claritin Eye (**OTC *bulletin***, 31 August 2009, page 20).

OTC

An entirely natural way to protect and support the liver is how Duopharm is positioning Alepafort, the latest addition to its range of herbal remedies in Germany.

Each Alepafort capsule contains between 177mg and 240mg dried milk-thistle extract, equivalent to 108mg silymarin. Duopharm, which recommends that adults take three capsules per day, said it had chosen a capsule as the delivery format rather than a medicinal tea because silymarin dissolved poorly in water.

According to Duopharm, which is a subsidiary of Salus, silymarin helped liver cells to regenerate and stabilised cell membranes, thereby stopping cells from absorbing toxins.

Trade-press advertising for Alepafort shows a man holding a glass of red wine and includes a coupon for pharmacists to order free customer information leaflets.

The recommended retail selling prices for the pharmacy-only medicine are €17.65 for a pack of 30 capsules, €33.00 for 60 capsules and €46.01 for 100 capsules.

OTC

Marketing Campaigns

Flomax reaches out to men with a humorous campaign

"Take control of your annoying Pee problems" is Boehringer Ingelheim's straightforward message to older men in its launch campaign for Flomax Relief in the UK.

A humorous television commercial uses an animated letter 'P' to represent the symptoms of benign prostatic hyperplasia or an enlarged prostate, which include frequent urination and weak flow. The annoying letter P distracts one man from his game of golf by repeatedly shouting "pee"; irritates a second man trapped in a traffic jam by activating his windscreen washer; and keeps another awake at night by pouring water into a glass.

"One in four men over the age of 40 suffers from pee problems – ranging from difficulty getting started to a frequent urge to go, particularly at night-time," states a voiceover. "Fortunately, there is now a simple and effective treatment. New once-a-day Flomax Relief can ease all of these symptoms within one week."

A pack of Flomax Relief drops on top of the animated letter P, which is last seen wildly waving its arms and legs around as it tries to escape. "Ask your pharmacist for Flomax Relief and take control of your annoying pee problems," is the sign-off message in the 30-second commercial from the advertising agency TBWA\Paling Walters.

Boehringer Ingelheim said television advertising was at the heart of its £5.0 million plus (€5.5 million plus) consumer campaign for Flomax Relief, which has just made its worldwide debut as a non-prescription medicine in the UK. The advertisements were scheduled to start as **OTC *bulletin*** went to press.

Two versions of the television commercial – the full 30-second execution and a cut-down 10-second spot – will run for the next three months and again in September and October. They will air on ITV, Sky, Five and GMTV.

In addition to television advertising, Flomax Relief will benefit from radio spots as well as press advertising in national newspapers and other relevant publications such as *Saga Magazine*. Boehringer Ingelheim is also planning a washroom-poster campaign in motorway service stations.

The brand's online presence includes a website at www.flomaxrelief.co.uk, as well as advertising on the NetDoctor and 50connect sites.

Boehringer Ingelheim said research conducted by Millward Brown Healthcare showed that the "straightforward and informative" style of the television commercial appealed to the target audience. One man in a test group commented: "It was amusing and told me clearly what the product was and what it would do." Another stated: "Makes me feel better about speaking about my own urinary problems."

The company is confident that the campaign will drive men – a patient group that has historically been hard to reach – into pharmacies. "Flomax Relief offers pharmacy a unique opportunity to engage with male customers," it maintained.

Boehringer Ingelheim is confident that its advertising for Flomax Relief will drive men – a patient group that has historically been hard to reach – into pharmacies

According to Boehringer Ingelheim, recent research had found that 57% of men suffering from lower urinary tract symptoms had not consulted a healthcare professional. Furthermore, the vast majority of sufferers were not aware of any treatments that could relieve the symptoms.

The UK became the first country in the world to make Flomax a non-prescription medicine for treating benign prostatic hyperplasia, or an enlarged prostate, in December of last year (**OTC *bulletin***, 18 December 2009, page 1). The Medicines and Healthcare products Regulatory Agency (MHRA) approved the switch of 0.4mg tamsulosin hydrochloride capsules from prescription-only to pharmacy (POM-to-P status) for treating lower urinary-tract symptoms in men aged between 45 and 75 years.

The focus of the initial promotional activity was pharmacy training – including a national roadshow, distance learning and CPD training – public relations activity, and advertising in the pharmacy press. The last of these urged pharmacy staff to "Help men take control of their annoying pee problems", and showed a product pack dropping on top of the animated letter 'P' (**OTC *bulletin***, 20 January 2010, page 10).

Boehringer Ingelheim noted Flomax Relief was available from as little as £0.60 per day. The trial pack of 14 one-a-day capsules has a recommended retail selling price of £8.99, while the 28-capsule pack retails at £16.99.

Straplines on the packaging point out Flomax Relief "Effectively relieves frequent night-time urinating, urge to urinate every few hours, weak flow and feeling of unfinished urination."

OTC

Bausch & Lomb has repackaged its Renu Fresh multi-purpose contact lens solution in a clear bottle in the US.

The company said the revamped packaging enabled consumers to see "exactly" how much solution was remaining, and was easier to recycle.

OTC

Galderma is backing the launch of its Cetaphil range of skincare products in the UK with a £1.0 million (€1.1 million) consumer campaign.

The campaign will highlight that the cleansing and moisturising products are "Clinically proven to enhance prescription skin treatments". It will involve product sampling, point-of-sale material, and a website at www.cetaphil.co.uk, as well as initiatives with Lloydspharmacy including radio advertising.

OTC

Launches

Boehringer Ingelheim grows gastrointestinal offer in UK

"A body-friendly solution for constipation," is Boehringer Ingelheim's promise to consumers for one of two newcomers to its portfolio of gastrointestinal medicines in the UK.

Boehringer Ingelheim said Dulcobalance – a pharmacy-only medicine containing macrogol 4000 – was a "different type of laxative to those currently on the market".

Trade-press advertising explains to pharmacy staff that Dulcobalance is "A new OTC constipation treatment that takes water where it's needed". Taken as a drink, Dulcobalance is supplied as a powder that dissolves in water and then transports that water directly to the bowel where it hydrates the stool.

Advertising copy maintains that Dulcobalance's mode of action "limits bloating and flatulence". It also points out that the product is suitable for people with cardiovascular or kidney problems, as it contains no electrolytes.

Boehringer Ingelheim is positioning Buscopan Cramps as the UK's "first specialist treatment for abdominal pain and cramps"

Boehringer Ingelheim is backing the launch of Dulcobalance with a £0.50 million (€0.55 million) consumer-advertising campaign encompassing press and online media.

Suitable for adults and children aged eight years and over, Dulcobalance comes in sachets of powder containing 10g macrogol 4000. The recommended dosage is one or two sachets dissolved in water per day.

A pack of 10 sachets has a recommended retail selling price of £4.99. Straplines on the packaging state that the product has a "Hydrating action", "Promotes your natural rhythm" and "Dissolves in water".

Dulcobalance joins Boehringer Ingelheim's Dulco range of constipation remedies, which also includes the Dulcoease stool softener based on the active ingredient docusate sodium and the Dulcolax laxatives containing either bisacodyl or sodium picosulfate.

Meanwhile, Boehringer Ingelheim has extended its Buscopan brand with the UK's "first specialist treatment for abdominal pain and cramps". Buscopan Cramps contains the same active ingredient – 10mg hysocine butylbromide – as Buscopan IBS Relief for irritable bowel syndrome.

The company said research carried out in June 2009 by TNS, now part of Kantar Health, had found that 40% of people in the UK suffered from abdominal cramps but more than a quarter never treated their symptoms. Although abdominal cramps could be a symptom of irritable bowel syndrome, many sufferers were unaware or rejected that they were suffering from the condition, Boehringer Ingelheim noted.

Pharmacy-press advertising describes Boehringer Ingelheim's Dulcobalance as "A new OTC constipation treatment that takes water where it's needed"

Boehringer Ingelheim noted that its marketing activity this year would focus on Buscopan Cramps rather than Buscopan IBS Relief. The company is supporting the launch with consumer-press advertising from June, as well as consumer information leaflets.

The dosage for Buscopan Cramps, which is a pharmacy-only medicine suitable for adults and children aged 12 years and over, is two tablets up to four times a day. A pack of 20 tablets sells for £4.39.

OTC

Marketing Campaigns/Launches

Herbalife highlights 30th anniversary

Herbalife is marking its 30th anniversary with the company's first consumer press and outdoor advertising campaign in the US.

The direct-selling specialist said the Herbalife 30th anniversary campaign represented a "shift from the company's traditional distribution channel approach to marketing its brand". The campaign aimed to "increase brand awareness throughout the US market about the company as a global leader in nutrition", it added.

Shardul Kiri from the campaign creator Unit Design Collective said: "We are confident this consumer-focused print and outdoor campaign will create an incredible buzz, building impact for Herbalife that will spark curiosity and leave people wanting to know more about the brand and its products."

Based around the strapline "This is Herbalife", the advertising includes images of international teams, athletes and sporting events that Herbalife has previously sponsored. These include the LA Galaxy and Inter Milan football teams, and the Los Angeles Triathlon.

Herbalife pointed out the campaign included a series of animated advertisements on the NASDAQ and Reuters' Towers in Times Square, New York. It also features 10 outdoor boards in Los Angeles, as well as press advertisements in the titles *Contigo*, *El Diario*, *El Mensajero La Prensa*, *Hoy*, *La Opinion*, *La Raza*, *Rumbo*, *USA Today*, and *USA Today International*.

In a separate development, Herbalife has introduced a Hand Sanitizer spray in the US, which contains a "botanical blend" of white tea, white water lily, olive and burdock. The spray would not "strip away healthy oils found in the skin", because it did not contain alcohol, paraben or triclosan, the company said.

Botanical-based Hand Sanitizer

The mango-scented spray comes in 30ml "on-the-go" bottles, which carry the on-pack claim "Kills 99.99% of most common germs". The recommended price is US$5.50 (€4.10).

Herbalife offers a range of nutrition, weight-management and personal care products exclusively through a network of approximately 1.9 million distributors in 72 countries.

OTC

NiQuitin nips to top of pharmacy rankings

NiQuitin is the big winner in our monthly Pharmacy viewpoint rankings of UK pharmacists' attitudes to OTC sales and marketing, which are published exclusively in OTC bulletin courtesy of the Intr@PharmQ service from IMS. The Nurofen and Alli brands are also strong performers.

With No Smoking Day on 10 March, it is no surprise that pharmacists voted for marketing campaigns for nicotine-replacement therapy (NRT) products in our latest **Pharmacy *viewpoint*** survey. That said, GlaxoSmithKline Consumer Healthcare's NiQuitin brand outperformed its NRT rivals in the survey by a noteworthy margin.

As can be seen from Figures 1, 2, 3 and 4, NiQuitin was either leader or joint leader in all four sections of **Pharmacy *viewpoint*** when IMS Consumer Health surveyed pharmacists between 1 March and 20 March 2010 using its Intr@PharmQ service.

Much of GlaxoSmithKline's marketing activity in recent months has focused on NiQuitin Minis. The new nicotine lozenges are said by the company to be "designed especially for those who know they should quit but want to do it at their own pace". Marketing materials for Minis, including a television commercial, inform smokers that the lozenges can help them "Quit one cigarette at a time".

The company has also run trade-press advertising reminding pharmacy staff that "Combination therapy is recommended by National Institute for Clinical Excellence (NICE) guidelines for those smokers who need extra help to quit for good". The advertising encourages pharmacy staff to make sure quitters have "24-hour protection plus rapid craving relief" by recommending NiQuitin 21mg Clear Patch with NiQuitin Minis.

Reckitt Benckiser Healthcare's new television commercial for Nurofen also caught the attention of pharmacists. The pain-relief brand occupies top spot in the television-advertising section of the **Pharmacy *viewpoint*** survey alongside NiQuitin (see Figure 2).

First seen in the UK earlier this year, the commercial uses Nuro – a caplet-shaped character with a Nurofen target logo for a face – to get across the message that Nurofen goes right to the source of pain. The action is set inside the head of a woman suffering from a headache, where the peaceful white world is disrupted by a black bird pecking noisily at a tree until Nuro comes to the rescue (**OTC *bulletin***, 10 February 2010, page 18).

GlaxoSmithKline's support for Alli continues to impress pharmacists, notching up a second win in a row for best current pharmacy-support package (see Figure 3). The weight-loss medicine dominated all sections of the **Pharmacy *viewpoint*** survey for many months following its launch in the UK in early 2009.

Meanwhile, Boehringer Ingelheim's initial promotional activity for Flomax Relief pushed the medicine for benign prostatic hyperplasia, or an enlarged prostate, up the **Pharmacy *viewpoint*** rankings. Flomax is joint second in the trade-press advertising section (see Figure 1), and ranks number three for best pharmacy-support package and best representative detailing (see Figures 3 and 4).

The focus of the initial activity is pharmacy training, public relations activity, and advertising in the pharmacy press. The last of these urges pharmacy staff to "Help men take control of their annoying pee problems", and shows a product pack flattening an animated letter 'P' complete with arms and legs.

As **OTC *bulletin*** went to press, Boehringer Ingelheim was about to launch a multimillion pound consumer campaign for Flomax Relief (see page 13). The animated letter P will feature prominently in the campaign.

OTC

BEST CURRENT REPRESENTATIVE DETAILING

Rank	Brand	Company	Product type	Pharmacists (%)
1	NiQuitin	GlaxoSmithKline	Smoking-cessation aid	11
2	Alli	GlaxoSmithKline	Weight-loss medicine	8
3	Flomax	Boehringer Ingelheim	Benign prostatic hyperplasia	6
4	Lemsip	Reckitt Benckiser	Cough/cold remedy	5
5=	Seven Seas	Seven Seas	Food supplement	4
	Vitabiotics	Vitabiotics	Food supplement	4
7=	Gaviscon	Reckitt Benckiser	Indigestion remedy	3
	HealthAid	HealthAid	Food supplement	3
	Nicorette	McNeil Products	Smoking-cessation aid	3
	Nurofen	Reckitt Benckiser	Oral/topical analgesic	3

Base: 100 pharmacists who named a brand of OTC medicine or food supplement

Figure 4: Unprompted response of UK pharmacists between 1 March and 20 March 2010 when they were asked the question: "In your opinion, which OTC medicine/dietary supplement is currently backed by the best representative detailing?" (Source – OTC *bulletin*/IMS' Intr@PharmQ service)

Intr@PharmQ and Pharmacy *viewpoint*

Pharmacy *viewpoint* is a monthly survey of pharmacy attitudes to OTC marketing in the UK, which appears exclusively in **OTC *bulletin*** courtesy of the Intr@PharmQ service from IMS.

The survey highlights pharmacists' attitudes to OTC marketing campaigns – both as healthcare professionals and consumers – as well as reflecting their general feelings about particular OTC brands.

Intr@PharmQ is a rapid information-gathering service consisting of web-based interactive questionnaires on the Intr@Pharm community pharmacy portal. Questionnaires can be set up on the site quickly, and responses collated within days.

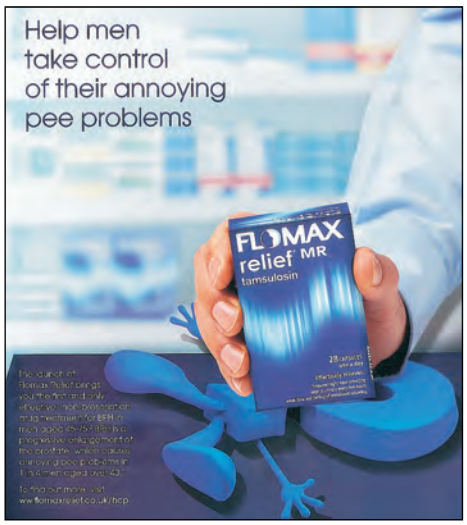
The service can be used to ask pharmacists about a range of subjects including products, company image and representatives. OTC

■ For further information contact Tai Azeez, IMS, 7 Harewood Avenue, London NW1 6JB, UK (Tel: +44 20 3075 4142; Fax: +44 20 7393 5900; E-mail: TAzeez@uk.imshealth.com).

GlaxoSmithKline Consumer Healthcare stepped up marketing support for its NiQuitin brand around No Smoking Day on 10 March 2010

Reckitt Benckiser Healthcare's new television commercial for its Nurofen pain relievers has caught the attention of pharmacists

GlaxoSmithKline Consumer Healthcare's support for Alli continues to impress pharmacists



Straightforward language is used to describe benign prostatic hyperplasia in Boehringer Ingelheim's launch campaign for Flomax Relief

PHARMACY *viewpoint*

BEST CURRENT TRADE-PRESS ADVERTISING

Rank	Brand	Company	Product type	Pharmacists (%)
1	NiQuitin	GlaxoSmithKline	Smoking-cessation aid	16
2=	E45	Reckitt Benckiser	Skincare	10
	Flomax	Boehringer Ingelheim	Benign prostatic hyperplasia	10
4	Nicorette	McNeil Products	Smoking-cessation aid	7
5	Alli	GlaxoSmithKline	Weight-loss medicine	6
6=	Gaviscon	Reckitt Benckiser	Indigestion remedy	5
	Nurofen	Reckitt Benckiser	Oral/topical analgesic	5
8=	Benylin	McNeil Products	Cough/cold remedy	4
	Full Marks	SSL International	Head-lice remedy	4
10	Bio-Oil	Keyline Brands	Skincare	3

Base: 100 pharmacists who named a brand of OTC medicine or food supplement

Figure 1: Unprompted response of UK pharmacists between 1 March and 20 March 2010 when they were asked the question: "In your opinion, what is the best current trade-press advertisement for an OTC medicine/dietary supplement?" (Source – OTC *bulletin*/IMS' Intr@PharmQ service)

BEST CURRENT TELEVISION ADVERTISING

Rank	Brand	Company	Product type	Pharmacists (%)
1=	NiQuitin	GlaxoSmithKline	Smoking-cessation aid	11
	Nurofen	Reckitt Benckiser	Oral/topical analgesic	11
3	Gaviscon	Reckitt Benckiser	Indigestion remedy	10
4	Nicorette	McNeil Products	Smoking-cessation aid	9
5	Canesten	Bayer Consumer Care	Antifungal	8
6	Benylin	McNeil Products	Cough/cold remedy	6
7	Alli	GlaxoSmithKline	Weight-loss medicine	5
8	Calpol	McNeil Products	Children's analgesic	4
9	Corsodyl	GlaxoSmithKline	Oral care	3

Base: 100 pharmacists who named a brand of OTC medicine or food supplement

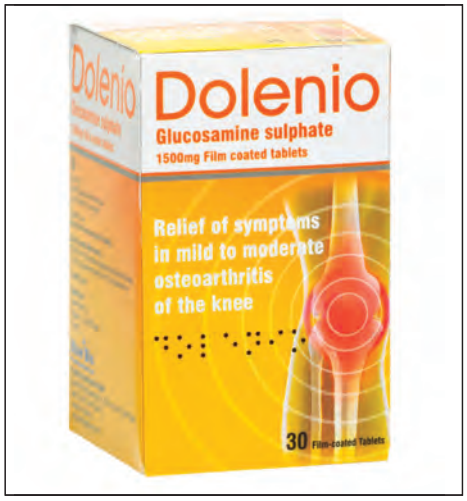
Figure 2: Unprompted response of UK pharmacists between 1 March and 20 March 2010 when they were asked the question: "In your opinion, what is the best current television consumer advertisement for an OTC medicine/dietary supplement?" (Source – OTC *bulletin*/IMS' Intr@PharmQ service)

BEST CURRENT PHARMACY-SUPPORT PACKAGE

Rank	Brand	Company	Product type	Pharmacists (%)
1=	Alli	GlaxoSmithKline	Weight-loss medicine	16
	NiQuitin	GlaxoSmithKline	Smoking-cessation aid	16
3	Flomax	Boehringer Ingelheim	Benign prostatic hyperplasia	11
4=	Nicorette	McNeil Products	Smoking-cessation aid	8
	Nurofen	Reckitt Benckiser	Oral/topical analgesic	8
6	Canesten	Bayer Consumer Care	Antifungal	5
7	Meltus	SSL International	Cough/cold remedy	4
8	Gaviscon	Reckitt Benckiser	Indigestion remedy	3

Base: 100 pharmacists who named a brand of OTC medicine or food supplement

Figure 3: Unprompted response of UK pharmacists between 1 March and 20 March 2010 when they were asked the question: "In your opinion, which OTC medicine/dietary supplement is currently backed by the best pharmacy-support package (consumer/trade advertising, bonus deals, profit margin, training, etc)?" (Source – OTC *bulletin*/IMS' Intr@PharmQ service)



A prescription-only medicine containing glucosamine sulphate has just been launched in the UK by BioPlus Life Sciences.

The company is positioning Dolenio as the "UK's first-ever licensed once-daily glucosamine sulphate 1,500mg for osteoarthritis of the knee".

Licensed through Europe's mutual-recognition procedure, Dolenio was launched in Denmark last year as a non-prescription medicine with pharmacy status. BioPlus Life Sciences said the product would be introduced in the Czech Republic, France, Greece and Poland by September, but could not comment on the legal status in these countries.

Denmark was the reference member state for the mutual-recognition procedure, which involved 27 European Union member states plus Iceland.

In the UK, Alissa Healthcare is distributing Dolenio, which is backed by the on-pack claim: "Relief of symptoms in mild to moderate osteoarthritis of the knee."

Noting prescriptions for 1,500mg glucosamine sulphate products had increased by 12% to 209,000 in 2008/2009, the company said general practitioners were unaware that "prescriptions might be fulfilled with under-strength unlicensed products". It added that Dolenio had been branded for "ease of recognition by dispensing pharmacists when they encounter a script for 1,500mg glucosamine sulphate daily".

The launch will be backed by a £0.5 million (€0.5 million) promotional campaign targeting general practitioners, pharmacists and patient-support groups.

OTC

IN BRIEF

■ **RELIV INTERNATIONAL** has launched its **GlucAffect** dietary supplement for blood-sugar management in Malaysia, the Philippines and Singapore, after research found that between 12% and 19% of Asians were affected by metabolic syndrome. The company drew attention to a clinical study published in the journal *Phytotherapy Research*, which had found that GlucAffect "significantly reduced blood glucose levels and helped control weight in study participants". Already available in Canada, Mexico and the US, GlucAffect is a powdered dietary supplement with ingredients including *Eugenia jambolana*, inulin, omega-3 fatty acids, Pycnogenol and *Pterocarpus marsupium* extract.

OTC

Launches

Hermes claims to make ibuprofen work precisely

Onset of action within 15 minutes and relief lasting for up to 14 hours are Hermes Arzneimittel's promises for its Doc Ibuprofen Schmerzgel in Germany.

Hermes pointed out that the 5% ibuprofen content of the newcomer was entirely suspended in a microemulsion gel. This "innovative" formulation, said the German company, helped the gel to penetrate the skin, thereby raising concentrations of the active ingredient in deeper tissues such as tendons and muscles.

Hermes stressed, however, that the ibuprofen was concentrated at the site of pain, so the blood plasma concentrations remained low. This meant that any side-effects caused by the active ingredient circulating around the body were "almost eliminated", insisted the firm.

Trade-press advertising carries the headline "Doc präzisiert ibuprofen" or "Doc makes ibuprofen more precise". It also features a graph showing that the gel reaches therapeutically-effective levels in tendons, muscles and beneath the skin, but not in blood plasma.

Recommended retail selling prices for the pharmacy-only medicine – which joins an arnica ointment in the Doc brand – are €6.90 for a 50g tube and €12.45 for a 100g pack.

Hermes is supporting its Doc Ibuprofen Schmerzgel with advertising in the pharmacy press

OTC

GlaxoSmithKline Consumer Healthcare has simplified its allergy offering in the UK by positioning the Piriton and Piriteze brands as "the Piri Team".

The company said the Piri Team, which comprises Piriton Allergy Tablets, Piriton Syrup, Piriteze Allergy Tablets and Piriteze Allergy Syrup, would capitalise on the heritage of the Piriton brand. "The simplified proposition will assist pharmacy staff in the task of recommending an appropriate product to their customers and ease customer recognition of the individual products," GlaxoSmithKline added.

The company is backing the move with a new £2.4 million (€2.7 million) television advertising campaign, as well as point-of-sale material and category-management initiatives in stores.

In addition, GlaxoSmithKline is educating pharmacy assistants with a "What a Relief" training module on allergies and face-to-face training through its PharmAssist programme.

Piriton products contain chlorphenamine maleate, while Piriteze is based on cetirizine hydrochloride.

OTC

Regulatory Affairs

UK relaxes rules on condom advertising

Restrictions on condom advertising will be relaxed in the UK when new codes from the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) take effect at the beginning of September.

Condom advertising will be permitted before the 9.00pm watershed but must be kept away from viewers under 10 years of age as part of the new codes. The change has been introduced in light of the UK having the highest teenage pregnancy rate in Europe and in response to evidence from the Independent Advisory Group on Sexual Health.

Martyn Ward, managing director of SSL International in the UK, said Durex had consistently maintained that responsible pre-water-shed condom advertising on television was urgently needed.

OTC

APRIL

15 April

■ **Phytopharmaceuticals in Europe**

Bonn, Germany

A one-day meeting organised by Germany's medicines manufacturers' association, the BAH, and conducted in German.

***Contact**: BAH, Ubierstrasse 71-73, 53173 Bonn, Germany.*
Tel: +49 228 957 45 0.
Fax: +49 228 957 45 90.
E-mail: bah@bah-bonn.de.
Website: www.bah-bonn.de.

16 April

■ **Medicines Variations Regulation**

London, UK

A one-day event run by the UK's Medicines and Healthcare products Regulatory Agency (MHRA).

***Contact**: Conferences and Learning Centre, MHRA, 16th Floor, Market Towers, 1 Nine Elms Lane, London SW8 5NQ, UK.*
Tel: +44 20 7084 2903.
Fax: +44 20 7084 3522.
E-mail: mhraconferences@mhra.gsi.-gov.uk.
Website: www.mhra.gov.uk.

19, 20-21 & 22 April

■ **Regulatory Affairs in Central and Eastern Europe**

Budapest, Hungary

A symposium on 'Regulatory affairs in the CIS region' and a workshop on 'Practical application of pharmacovigilance in regulatory affairs' accompanies this two-day conference.

***Contact**: Informa UK, PO Box 406, Byfleet KT14 6WL, UK.*
Tel: +44 20 7017 7481.
Fax: +44 20 7017 7823.
E-mail: registrations@informa-ls.com.
Website: www.informa-ls.com.

MAY

6 May

■ **Healthcare Products and Food Supplements**

Bonn, Germany

A one-day meeting organised by Germany's medicines manufacturers' association, the BAH, and conducted in German.

***Contact**: BAH, Ubierstrasse 71-73, 53173 Bonn, Germany.*
Tel: +49 228 957 45 0.
Fax: +49 228 957 45 90.
E-mail: bah@bah-bonn.de.
Website: www.bah-bonn.de.

13-14 May

■ **Changing Channels in the OTC Environment**

Bethesda, Maryland, US

This two-day regulatory and scientific conference is organised by the US Consumer Healthcare Products Association (CHPA).

***Contact**: CHPA, 900 19th Street, NW, Suite 700, Washington DC 20006, USA.*
Tel: +1 202 429 3545.
Fax: +1 202 223 6835.
E-mail: msarabia@chpa-info.org.
Website: www.chpa-info.org.

16 & 17-19 May

■ **2nd DIA China Annual Meeting**

Beijing, China

'Priming China for drug innovation and development: from strategy to execution' is the theme of this three-day meeting organised by the Drug Information Association (DIA). The meeting will be accompanied by a pre-conference workshop on drug safety.

***Contact:** Drug Information Association (DIA), 11F/1177 Block A, Gateway Plaza, No.18, XiaGuangLi, North Road East 3rd Ring, Chaoyang District, Beijing 100027, China.*
Tel: +86 10 5923 1109.
Fax: +86 10 5923 1090.
E-mail: dia@diachina.org.
Website: www.diahome.org.

18-19 May

■ **Regulatory Affairs in Africa**

London, UK

This two-day event will focus on pharmaceutical regulatory affairs in Africa, including South Africa.

***Contact:** Management Forum, 98-100 Maybury Road, Woking, Surrey GU21 5JL, UK.*
Tel: +44 1483 730071.
Fax: +44 1483 730008.
E-mail: registrations@management-forum.co.uk.
Website: www.management-forum.co.uk.

18-20 May

■ **Vitafoods**

Geneva, Switzerland

A three-day exhibition and conference covering nutraceuticals, cosmeceuticals and functional foods.

***Contact:** Vitafoods Conference 2010, Data House, Curriers Close, Tile Hill, Coventry CV4 8AW, UK.*
Tel: +44 845218 7266.
E-mail: conferencedepartment@melville.co.uk.
Website: www.vitafoods.eu.com.

9-11 June

■ **46th AESGP Annual Meeting**

Dubrovnik, Croatia

'Connecting with self-care. The future of self-medication in the new Europe' will be the theme of the 46th Annual Meeting of the Association of the European Self-Medication Industry, the AESGP.

The three-day meeting will include a session entitled 'How to be successful in self-care', featuring presentations from Manfred Scheske, president of GlaxoSmithKline Consumer Healthcare for Europe; Etienne de Laroullière, vice-president and head of global business unit OTC at Nycomed; Cavan Redmond, senior vice-president and group president of Pfizer Diversified Businesses; and Dirk Van de Put, president and chief executive officer, global OTC, at Novartis Consumer Health.

Speakers at the meeting will also include: Martin Terberger and Basil Mathioudakis of the European Commission; Thomas Lönngren of the European Medicines Agency (EMA); Dagmar Roth-Behrendt of the European Parliament; and Catherine Geslain-Lanéelle and Vittorio Silano of the European Food Safety Authority (EFSA).

***Contact**: AESGP, 7 Avenue de Tervuren, 1040 Brussels, Belgium.*
Tel: +32 2 735 51 30. Fax: +32 2 735 52 22. E-mail: c.andreason@aesgp.be.
Website: www.aesgp.be.

30-31 May

■ **Pharmaceutical Regulatory Affairs in the Middle East**

Dubai, United Arab Emirates

Bahrain, Kuwait and other countries in the Middle East will be discussed at this two-day meeting.

***Contact:** Management Forum, 98-100 Maybury Road, Woking, Surrey GU21 5JL, UK.*
Tel: +44 1483 730071.
Fax: +44 1483 730008.
E-mail: registrations@management-forum.co.uk.
Website: www.management-forum.co.uk.

JUNE

13-17 June

■ **46th DIA Annual Meeting**

Washington DC, US

With more than 350 sessions, the annual meeting of the Drug Information Association (DIA) will cover a range of topics including outsourcing and advertising.

Contact: Drug Information Association (DIA), 800 Enterprise Road, Suite 200, Horsham, PA 19044-3595, USA.
Tel: +1 215 442 6100.
Fax: +1 215 442 6199.
E-mail: dia@diahome.org.
Website: www.diahome.org.

14-15 June
8-9 November

■ **EuroPLX 43 & 44**

Berlin, Germany
Barcelona, Spain

Two-day partnering and licensing forums focusing on OTC medicines, nutraceuticals, branded prescription drugs and generics.

***Contact**: RauCon, Kurfürstenstrasse 1A, 69234 Dielheim, Germany.*
Tel: +49 6222 9807 0.
Fax: +49 6222 9807 77.
E-mail: meetyou@europlx.com.
Website: www.raucon.com.

22-23 June

■ **Pharmaceutical Regulatory Affairs in Canada**

London, UK

A two-day interactive seminar organised by Management Forum.

***Contact:** Management Forum, 98-100 Maybury Road, Woking, Surrey GU21 5JL, UK.*
Tel: +44 1483 730071.
Fax: +44 1483 730008.
E-mail: registrations@management-forum.co.uk.
Website: www.management-forum.co.uk.

JULY

14 July

■ **Marketing Authorisation in Japan**

Frankfurt, Germany

Gaining marketing authorisations for generics and new chemical entities in Japan will be one of the subjects discussed at this one-day conference.

***Contact**: Forum Institut für Management, Postfach 10 50 60, 69040 Heidelberg, Germany.*
Tel: +49 6221 500 680.
Fax: +49 6221 500 555.
E-mail: h.wolf-klein@forum-institut.de.
Website: www.forum-institut.com.

Industry wants greater self-selection in Norway

The OTC industry in Norway is pushing for self-selection displays of non-prescription medicines in general-sale retailers, as the non-prescription market in the country showed steady improvement in 2009.

More non-prescription medicines went on general sale in Norway last year. From 1 January 2009, the country's general-sale category was expanded with hydrocortisone cream, oral and topical antihistamines, the H_2-antagonists famotidine and ranitidine, and the proton-pump inhibitor omeprazole. In a more controversial move, the emergency-contraceptive levonorgestrel was added to the products allowed to be sold in general-sale retailers.

However, according to a spokesperson for the Norwegian Association of Pharmaceutical Manufacturers, the LMI, these additions to the general-sale category had only a limited impact. He told **OTC *bulletin*** that general-sale retailers had only generated a small proportion of volume sales of these products in 2009.

This was in marked contrast to established general-sale products. As can be seen from Figure 1, nasal decongestant sprays containing xylometazoline had the highest proportion of volume sales outside pharmacies in the first eight months of 2009, with general-sale retailers accounting for 54% of sales measured in terms of defined daily dose (DDD). This was up from 52% in the first eight months of 2008, and 50% during the first eight months of 2007.

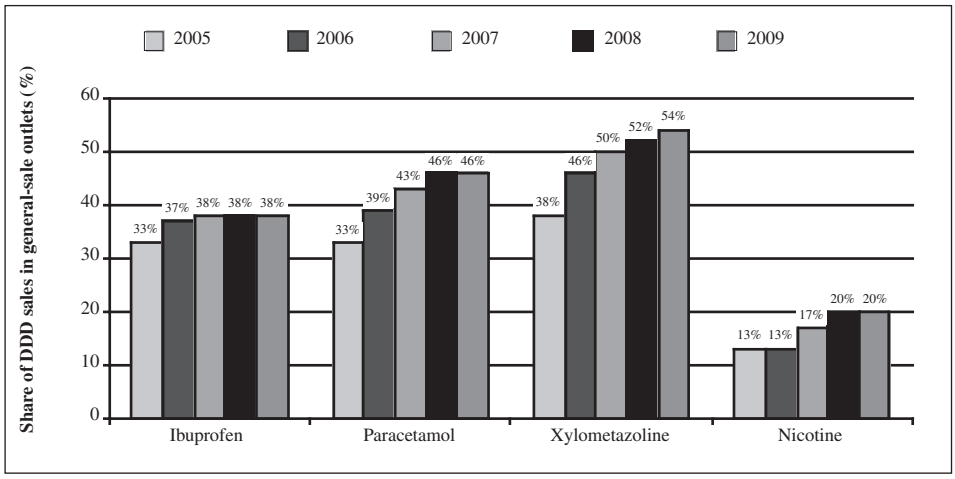


Figure 1: Sales of four of the best-selling non-prescription medicines in Norway in the first nine months of 2005 and 2006, and the first eight months of 2007, 2008 and 2009, by proportion sold in general-sale retailers. Sales in defined daily dose (DDD) (Source – LMI/Norwegian Institute of Public Health)

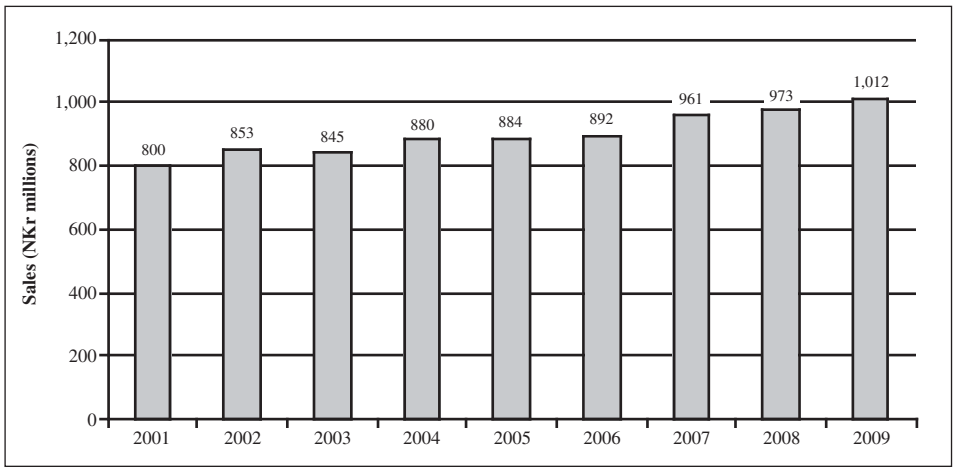


Figure 3: Development of sales of non-prescription medicines in NKr millions at wholesalers' selling prices in Norway through pharmacies and general-sale retailers between 2001 and 2009 (Source – LMI/Farmastat)

According to the figures from the Norwegian Institute of Public Health, general-sale retailers accounted for 46% of volume sales of paracetamol-based analgesics in the first eight months of 2009. They also handled 38% of sales of ibuprofen-based analgesics.

General-sale retailers still only accounted for a fifth of sales of nicotine-replacement therapy (NRT) products. But pharmacies have been able to compete more effectively in this category because they can provide support and advice to smokers trying to quit the habit.

The LMI spokesperson put the limited impact of the new general-sale products down to the fact that self-selection displays of non-prescription medicines were not permitted in general-sale outlets. General-sale retailers had limited space behind the counter, he observed, and they allocated this space to the best sellers.

Suggested by medicines agency

At the end of 2006, the Norwegian Medicines Agency (NoMA) suggested that the government should consider allowing self-selection displays of non-prescription medicines in general-sale retail outlets. Currently, these outlets must keep medicines behind the counter at the cash point or in safe vending machines. In pharmacies, by contrast, self-selection displays are permitted for non-prescription medicines.

NoMA's suggestion followed a positive evaluation of the general-sale category, which was introduced at the beginning of 2003 when the Norwegian government switched all non-prescription NRT medicines from pharmacy-only to general-sale status. Later the same year, the government said general-sale retailers could also sell paracetamol-based analgesics, ibuprofen-based analgesics, nasal decongestant sprays, antacids and expectorants.

The LMI spokesperson told **OTC *bulletin***

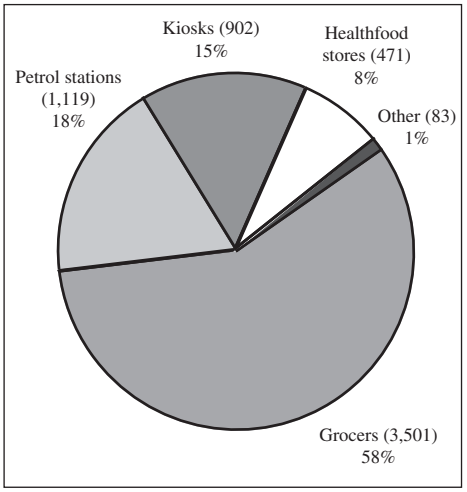


Figure 2: Breakdown of general-sale retail outlets for non-prescription medicines in Norway as of December 2008 – 6,076 in total – by type of retailer. Figures do not include pharmacies (Source – LMI/Norwegian Medicines Agency)

Product category	Sales in 2009 (NKr millions)	Change (%)
Analgesics	238.2	+2.4
Gastrointestinals	152.1	+1.5
Coughs and colds	146.4	+2.0
Smoking cessation	122.6	+12.1
Dermatologicals	85.6	-12.5
Vitamins and minerals	43.1	-4.0
Allergy	27.5	+4.4
Remedies for obesity	26.2	–
Hormone products	16.2	-1.7

Figure 6: Leading product categories in terms of sales of non-prescription medicines through pharmacies and general-sale retailers in Norway during 2009 at wholesalers' selling prices (Source – LMI/Farmastat)

that industry was working hard to persuade the government to implement NoMA's suggestion on self-selection displays.

Figures published by the LMI put the number of general-sale outlets licensed to sell non-prescription medicines at 6,076 as of December 2008. This figure was virtually unchanged compared with a year earlier.

This compares with around 600 privately-owned pharmacies, the vast majority of which are part of the pan-European groups Alliance Boots, Celesio or Phoenix.

As can be seen from Figure 2, grocers was the biggest category of general-sale outlets, accounting for 58%, followed by petrol stations at 18% and kiosks at 15%.

Although general-sale retailers are now important players in the Norwegian non-prescription market, the arrival of the category has not expanded the market significantly.

As can be seen from Figure 3, value sales of non-prescription medicines in Norway have increased steadily in recent years. Sales improved to NKr1.01 billion (€0.13 billion) at wholesalers' selling prices in 2009.

In 2009, non-prescription medicines generated 17.7% of the Norwegian pharmaceutical market in terms of volume sales measured by DDD and 11.4% by value sales at retail selling prices (see Figure 4).

One of the biggest developments of 2009 in the Norwegian market for non-prescription medicines was GlaxoSmithKline Consumer Healthcare's pan-European launch of its Alli (orlistat) weight-loss product. As can be seen from Figure 5, Alli was the number seven non-prescription brand with sales of NKr26.2 million at wholesalers' selling prices.

Novartis Consumer Health's Otrivin was the best-selling non-prescription brand in 2009, with sales up by 5.1% to NKr96.0 million. The nasal decongestant captured the top spot from Weifa's Paracet pain reliever, which achieved a 2.0% increase in sales to NKr93.9 million.

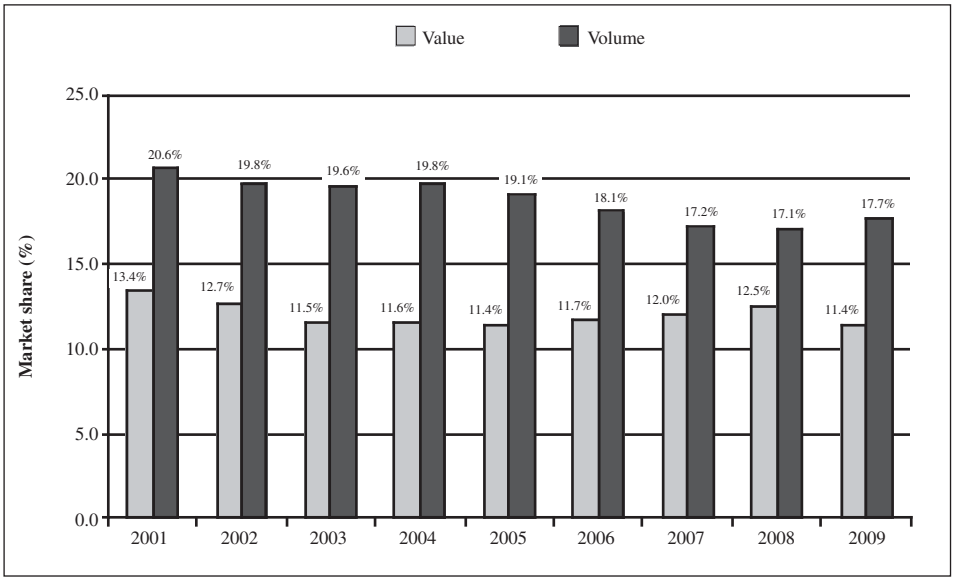


Figure 4: Sales of non-prescription medicines as a proportion of pharmaceutical sales in Norway between 2001 and 2009. Value sales are measured in terms of retail selling prices and volume sales are measured in terms of defined daily dose (DDD) (Source – LMI/Farmastat)

Rank 2009	Rank 2008	Brand	Main indication	Sales in 2009 (NKr millions)	Change (%)
1	2	Otrivin	Nasal congestion	96.0	+5.1
2	1	Paracet	Pain	93.9	+2.0
3	3	Ibux	Pain	86.1	+2.2
4	4	Nicorette	Smoking-cessation	61.4	+10.1
5	5	Nicotinell	Smoking-cessation	61.2	+14.2
6	6	Pepcidduo	Reflux	31.5	+22.0
7	–	Alli	Weight loss	26.2	–
8	7	Canesten	Fungal infections	24.0	+7.4
9	8	Flux	Caries prevention	22.0	+15.0
10	9	Livostin	Allergy	17.0	+22.7

Figure 5: Leading brands in terms of sales of non-prescription medicines through pharmacies and general-sale retailers in Norway during 2009 at wholesalers' selling prices (Source – LMI/Farmastat)

Rank 2009	Rank 2008	Company	Sales in 2009 (NKr millions)	Change (%)	Market share (%)
1	1	Weifa	198.8	+2.0	19.5
2	2	Novartis	197.6	+9.8	19.3
3	4	McNeil	159.6	+18.4	15.6
4	3	Nycomed	104.8	+0.2	10.3
5	–	Actavis	45.9	-9.9	4.5
6	–	GlaxoSmithKline	44.5	+142.3	4.4
7	7	Bayer	30.1	+7.4	3.0
8	10	Boehringer	22.5	+19.7	2.2
9	5	Antula Healthcare	20.8	+15.7	2.0
10	8	Solvay Pharma	20.5	-10.8	2.0

Figure 7: Leading pharmaceutical companies ranked by sales of non-prescription medicines through pharmacies and general-sale retailers in Norway during 2009 at wholesalers' selling prices (Source – LMI/Farmastat)

The arrival of Alli meant remedies for obesity became an important product category in the non-prescription market in 2009 (see Figure 6). However, analgesics remained by far the largest category, with sales up by 2.4% to NKr238 million at wholesalers' selling prices.

Launching Alli also pushed GlaxoSmithKline up the rankings of non-prescription companies. But Weifa remained the leading company in the Norwegian non-prescription market in 2009, as it reported a 2.0% rise in sales at wholesalers' selling prices to NKr199 million (see Figure 7).

OTC

Manufacturers

GSK turns to L'Oréal for next head of Consumer Healthcare

■ *Continued from front page*

would replace **John Clarke**, 61, as worldwide president of its Consumer Healthcare division within the next two years.

OTC *bulletin* understands that **Manfred Scheske**, 58, the existing European president, may seek a new position outside of GlaxoSmithKline. A spokesperson for GlaxoSmithKline said Scheske was "reviewing his options inside and outside the company".

Ian McPherson will remain president of Consumer Healthcare's international business, and **Roger Scarlett-Smith** will continue as president of the division's North America business.

The news that existing senior executives had been passed over in the succession comes soon after Andrew Witty, GlaxoSmithKline's chief executive, described the Consumer Healthcare division's 2009 financial results as "spectacular" (**OTC *bulletin***, 26 February 2010, page 6).

John Clarke

GlaxoSmithKline Consumer Healthcare reported worldwide sales up by 7% at constant exchange rates to £4.65 billion (€5.34 billion) in 2009. As reported, the rise was 17%.

The division's Rest of World region led the way with sales growth of 12% at constant exchange rates, followed by Europe at 5% and North America at 1%.

Witty pointed out that the growth at Consumer Healthcare – which comprises OTC Medicines, Oral Care and Nutritional Healthcare businesses – had been achieved in a year when most of the world's economies had been in recession, and in a marketplace that had grown by only 2%.

Operating profit at Consumer Healthcare was down by 1% at constant exchange rates to £952 million. However, Witty explained that the company had needed to get the Consumer Healthcare division "to the right level of investment".

Commenting on Walmsley's appointment, Clarke said that in just under three years she had greatly accelerated the growth in L'Oréal's China consumer business. "She has a strong track record and experience in fast-moving consumer goods marketing in both established and emerging markets," he commented, adding:

Manfred Scheske

"She joins us from a company which, like ours, has a strong scientific research base and I look forward to working closely with her over the next two years."

Before taking up the post in China, Walmsley was based in New York and had global responsibility for the mass-market Maybelline cosmetics business.

A spokesperson for GlaxoSmithKline told **OTC *bulletin*** that Walmsley's global experience was one important reason behind her appointment.

Scheske has led GlaxoSmithKline's Consumer Healthcare business in Europe for six years, and before that was head of the Consumer Healthcare business in North America for a similar period.

He started his career with the company in 1985, when he joined Beecham in Germany as marketing director for oral care and personal care. In 1989, he was made head of Consumer Healthcare in Germany.

Scheske has also worked for Mars Petfood and Jacobs Coffee.

OTC

Manufacturers

Reckitt names head of Europe

Reckitt Benckiser has appointed **Salvatore Caizzone** as executive vice-president Europe area with effect from 1 May 2010.

He replaces **Javed Ahmed**, who moved to Tate & Lyle last year as chief executive.

Caizzone, 45, will join the executive committee of the home, health and personal-care products company, and will be based in the UK in Slough.

He is currently senior vice-president Africa & Middle East, based in Dubai. He joined the company during 1996, working in international sales in Italy. In 1999, he was promoted to general manager of the Russia, Commonwealth of Independent States (CIS) and Baltics businesses, and was based in Moscow.

OTC

IN BRIEF

■ **KATTWIGA** – the German homoeopathy specialist – has appointed **Ina Hansmeier** as head of its sales and marketing division. Hansmeier has eight years of salesforce experience, gathered in part at Wyeth. She will oversee both salesforce activity and training seminars for doctors on the firm's range of 147 Synergon homoeopathic remedies.

Ina Hansmeier

■ **PERRIGO** – the leading US store-brand supplier – has promoted **Bart Shrode** to director of quality at its Allegan facility in Michigan. He was previously head of Perrigo's liquid and tablet quality value streams. He retains the latter responsibility in his new role, but hands over the liquid part to **Erika Ballman**, who assumes the title of associate director. Perrigo has also promoted **Rachel Humphreys** to manager of supplier quality management for its sites in the US.

OTC

Manufacturers

Hassan and Saunders take control of Bausch & Lomb

Fred Hassan – former chairman and chief executive officer of Schering-Plough – is the new chairman of US-based eye-health specialist Bausch & Lomb.

Hassan will work closely with another former Schering-Plough executive, **Brent Saunders,** who has been recruited as Bausch & Lomb's chief executive officer. Saunders was previously senior vice-president and president of Schering-Plough's Consumer Health Care business, as well as a member of the company's six-person executive committee.

Both Hassan and Saunders left Schering-Plough when the firm was acquired by Merck & Co for US$41 billion (€30 billion) in November of last year (**OTC *bulletin***, 16 November 2009, page 3). Hassan had implemented a six-year turnaround plan at Schering-Plough, which Bausch & Lomb said had seen the company become one of the industry's best performers.

Fred Hassan

Brent Saunders

Gerald Ostrov is retiring

Bausch & Lomb's existing chairman and chief executive officer, **Gerald Ostrov**, has decided to retire. He will serve as a consultant to Hassan and Saunders.

Hassan said that Ostrov had "stabilised a very challenging situation at Bausch & Lomb" and had helped move the company towards becoming a "stronger global organisation". "We will now initiate a new phase to take Bausch & Lomb to an even higher level of performance," he commented, adding that he would work closely with and support Saunders.

Saunders, meanwhile, said his goal would be to "power up Bausch & Lomb to its rightful position as the global innovation leader in eye-health". "We are forging the talented people of Bausch & Lomb into a winning team with a winning attitude, with a relentless focus on execution," added Saunders. "We will work hard to deliver the value in our pipeline, while creating more value for the future."

Joined Bausch & Lomb board last year

Since November 2009, Hassan has been a senior adviser to Warburg Pincus, the private-equity company that is the majority owner of Bausch & Lomb. He joined Bausch & Lomb's board in November 2009 (**OTC *bulletin***, 30 November 2009, page 22).

Generally regarded as one of the leading figures in global healthcare, Hassan joined Schering-Plough in 2003 at a time when the company was struggling with a series of legal, commercial and financial setbacks (**OTC *bulletin***, 30 April 2003, page 23). He had previously been chairman and chief executive officer of Pharmacia, and before that had served as president of Wyeth's US operations and held a number of positions at Novartis.

Saunders joined Schering-Plough in 2003 as part of Hassan's new executive committee in the role of head of the new compliance and business practices unit. In 2007, he was appointed president of Schering-Plough's Consumer Health Care business (**OTC *bulletin***, 9 February 2007, page 1).

Bausch & Lomb pointed out that Saunders had implemented a "successful growth strategy including expansion into international markets" at Schering-Plough's Consumer Health Care business. During his time at Schering-Plough, Saunders had also managed the integration of Organon BioSciences and led the company's integration planning teams ahead of its acquisition by Merck & Co, the company added.

OTC