

# OTC *bulletin*

THE BUSINESS NEWSLETTER FOR EUROPE'S CONSUMER HEALTHCARE INDUSTRY

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## Prestige Brands snaps up Blacksmith's OTC brands

**P**restige Brands Holdings has agreed to pay US\$190 million (€142 million) to private-equity group Charlesbank Capital Partners for Blacksmith Brands Holdings and its portfolio of OTC brands.

At the same time, Prestige has sold its largest remaining personal-care brand – the nail varnish remover Cutex – to Arch Equity Partners for an undisclosed sum.

Describing the Blacksmith deal as “transformative”, US-based Prestige said that gaining the Efferdent and Effergrip oral-care products, the PediaCare cough and cold remedy for infants and children, Luden's throat drops and the NasalCrom allergy product underlined its commitment to increasing its OTC presence.

Once the brands – with combined annual sales of around US\$90 million – had been integrated, Prestige continued, OTC healthcare products would represent 75% of the company's annual turnover, which stood at US\$302 million in the year ended 31 March 2010. Prestige's Household Cleaning Products business will account for the remaining 25%.

### Core brands up from five to eight

The deal would also expand the company's “core brands” from five to eight, Prestige noted. Efferdent/Effergrip, Luden's and PediaCare are



Prestige Brands Holdings said that acquiring Blacksmith's OTC brands – Efferdent, Effergrip, Luden's, NasalCrom and PediaCare – from Charlesbank would be “transformative”

to become core brands, joining the Chloraseptic and Little Remedies cough and cold lines, the Clear Eyes eyecare range, the Compound W/Wartner wart-removal products and The Doctor's NightGuard oral-care brand.

Outside of the core brands, Prestige's OTC portfolio also includes the Murine earcare line and Ezo oral-care products, as well as the Compoz, New Skin and Percogesic brands.

Overall, the firm's enlarged OTC Healthcare division would generate annual sales of around US\$300 million, Prestige pointed out, with six brands each generating sales of over US\$25 million.

Matthew Mannelly, Prestige's chief executive officer, said the acquisition was consistent

■ Continued on page 14

## DocMorris targets Europe's over-50s

**C**elesio's DocMorris business is teaming up with Klingel Group to create a mail-order pharmacy aimed at people over the age of 50 years in Germany and the Netherlands.

DocMorris said the 50/50 joint venture – based in the Netherlands and called Wellsana-Apotheke – would combine its own knowledge of the mail-order pharmacy business with Klin-

■ Continued on page 14

## Meda snaps up six OTC brands

**M**eda has taken another step forward in its plan to expand its OTC business by acquiring fellow Swedish firm BioPhausia's portfolio of Nordic OTC brands for SEK190 million (€20.7 million).

Through the acquisition, Meda has gained BioPhausia's Novalucol and Novaluzid indigestion remedies, C-vimin and E-vimin vitamin

■ Continued on page 12

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## Mergers &amp; Acquisitions

# Elder is set to snap up NeutraHealth

India's Elder Pharmaceuticals is set to grow its European presence by buying NeutraHealth in a deal that values the UK-based supplements specialist at £12.2 million (€14.6 million).

NeutraHealth's board has recommended the 6.5 pence per share offer, and shareholders representing 21.9% of eligible voting shares have agreed to the proposal. Elder is NeutraHealth's largest shareholder with a 21.1% stake.

The move comes 18 months after an initial attempt by Elder to obtain a majority stake in NeutraHealth was rejected (*OTC bulletin*, 17 March 2009, page 6). Soon after its bid had been rejected, Elder said it had no immediate

plans to make another approach for NeutraHealth (*OTC bulletin*, 31 July 2009, page 9).

Explaining the reasons for accepting Elder's offer this time, Ray Myers, chief executive officer of NeutraHealth, said the board believed the deal represented good value for shareholders and would allow the company to benefit from Elder's "significant scale, resources and experience within our industry".

Jagdish Saxena, executive chairman of Elder, said that acquiring NeutraHealth would enable his company to enter new European markets, which was an important part of its growth strategy. The deal would also create cost efficiencies, Saxena added, as Elder supplied NeutraHealth with raw materials and active ingredients on a more cost-effective basis.

Furthermore, NeutraHealth's products would gain access to the Indian market and Elder's network of international export partners, Elder said, adding the deal would reduce NeutraHealth's dependency on outsourcing partners.

Elder added that it intended to "enhance NeutraHealth's competitive position in the UK through product development and raw material savings", and provide a "strong platform for further European expansion".

Established in 1989, Elder manufactures a range of prescription pharmaceuticals, surgical and medical devices, nutraceuticals, and active pharmaceutical ingredients. In the year ended

31 March 2010, the company reported sales of Rs7.0 billion (€116 million).

Meanwhile, NeutraHealth said that a mixed start to the year meant sales growth had been only 1.2% in the opening six months of 2010. On a like-for-like basis – excluding the Nutri-Gold business that was sold in January – sales had increased by 3.3%.

Group turnover had edged up to £16.8 million, NeutraHealth said, driven by a 6.5% rise in sales of the BioCare brand of supplements following a return to growth in the UK and strong exports. The Totally Nourish web-retailing business had also performed well, the firm noted, delivering strong sales, albeit from a low base.

However, these gains were partially offset by a "difficult" six months for the Brunel private-label and contract manufacturing division. Although demand for private label-products had remained good, thanks to continued new product development, contract sales had suffered in the second quarter of 2010, NeutraHealth said, due to a decline in demand for branded products in the mass market.

NeutraHealth noted that increased material prices, a weaker product mix and limited success in passing on cost increases to customers had contributed to a decline in gross margin.

Earnings before interest, tax, depreciation and amortisation (EBITDA) dropped by 50% to £0.6 million in the six months.

**OIC**

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### Development Agreements

## BioGaia teams up with Tena owner

Sweden's BioGaia and SCA – owner of the Tena bladder weakness and incontinence brand – have struck a long-term deal to develop new intimate-hygiene products and products for the elderly.

BioGaia pointed out that its task would be to develop different patented probiotic strains for different indications, test these in clinical trials and create formulations that were specially adapted to the indications.

SCA, meanwhile, would contribute patented technologies in the area of hygiene, BioGaia explained, and would provide a distribution network through which probiotics could be marketed and sold.

Ingela Torstensson, head of global research for SCA's hygiene products, said the company – which offers a range of feminine care and tissue products as well as Tena – was already

active in the probiotic arena and held a number of interesting patents that it hoped BioGaia would be able to help commercialise.

One area that could be explored, Torstensson pointed out, was the potential for probiotic bacteria to prevent urinary tract infections, which were common amongst incontinent women.

Peter Rothschild, president of BioGaia, said the company had been "highly impressed" with SCA's ambitions in the hygiene area and it hoped to develop new products that could be sold in "relatively large volumes" through SCA's distribution network, as well as more specialised products for its own distributors.

Meanwhile, BioGaia said its sales had improved by 11% to SEK124 million (€13.5 million) in the first half of 2010. Operating profit moved forward by 5% to SEK31.5 million.

**OIC**

Annual Results

# Aspen loses momentum in its domestic market

Aspen Pharmacare failed to realise its OTC ambitions in its home market of South Africa in the year to 30 June 2010, as it slipped further behind its main rival Adcock Ingram.

Aspen's 8.4% sales growth in the period was less than the 8.7% achieved by the South African private OTC market as a whole, and resulted in the firm failing to close the three percentage-point gap it had trailed the country's other leading player when the period opened.

Quoting IMS Health data, Aspen said its monthly private OTC share had been second with 15.5% behind Adcock Ingram's leading 18.4% share at the start of the year in July 2009. But by June 2010 it had slipped to 15.4% while Adcock Ingram had pushed up to 19.5%. "We thought we were in range in July 2009," Aspen said. "Hats off to our competitors – we have to raise our game."

The total South African private OTC market had been worth R6.0 billion (€640 million) during the period, Aspen said, or just over 27% of the total, including generics sales of R4.5 billion and branded prescription products on R11.5 billion.

"Growth has been disappointing," Aspen commented on its domestic OTC performance. The expected rise in self-medication sales had not materialised, and times had been tougher than forecasted. Private labels might also have played their part, the firm added.

Looking at South Africa's retail sector as a whole, Aspen noted that the firm's growth in consumer revenue had been achieved despite "sluggish" conditions as the sector battled to emerge from the recession.

"South Africa's difficult consumer trading environment has necessitated a focus on efficiency of structures which should stand As-

pen in good stead when the retail cycle improves," the company said.

The firm is also still bemoaning the loss of its slimming franchise, which was hit in April 2008 when regulators reverse-switched the active ingredient d-norpseudoephedrine to prescription control. It had never been able to recover the associated market-share losses, Aspen noted, although its overall OTC share had grown from just over 10% a decade ago – when Adcock had been on more than 25% – to over 15% today.

"Competition is fierce," it commented, drawing attention to an influential survey – of major pharma firms in South Africa amongst top retail pharmacy outlets – that had placed Aspen second in the OTC sector in June 2010, when it had been first in 2009.

## Pharma sales rise by 40%

Aspen's domestic pharma sales in the period streaked ahead by 40% to R4.39 billion, boosted by the firm's deal with GlaxoSmithKline for some of the UK firm's prescription brands (OTC bulletin, 18 December 2009, page 3). Consumer turnover rose by just 5% to R1.16 billion, producing a domestic total of R5.65 billion and growth of 31% (see Figure 1).

Aspen noted that it had now received R162 million in compensation for the damage caused by an explosion in its Nutritionals manufacturing facility last year, but that supply interruptions to its infant-milk formula products had been partly responsible for its weak consumer performance.

Outside of its home market in sub-Saharan Africa, Aspen's turnover declined by 2% to R910 million and its operating profit dropped from R173 million to R66 million. This despite

the GSK Aspen Healthcare for Africa collaboration that started on 1 December 2009 meeting "all performance expectations".

Turnover stalled at R1.15 billion in Latin America, but the addition of global rights to eight GlaxoSmithKline brands improved business in the rest of the world by 75% to R1.44 billion. Turnover eliminations linked to the GlaxoSmithKline deal were R469 million.

Aspen noted that turnover from own brands declined by 3% to R813 million, but restructuring the Brazilian business that accounted for more than two-thirds of regional sales had prompted growth of 8% during the second half.

An upswing in Latin American results is expected this year as well as continued organic growth in Asia-Pacific. A full year's contribution by the global brands acquired from GlaxoSmithKline over the past year, the firm added, would drive growth in its international business.

Commenting on its A\$900 million (€644 million) bid for the pharmaceutical business of Australia's Sigma (OTC bulletin, 10 September 2010, page 3), Aspen said it saw four opportunities stemming from aligning Sigma's A\$600 million-plus business with its own R1.0 billion Australian subsidiary.

Apart from offering synergies, the Sigma deal provided "an established point of entry" to the Australian generics and OTC sectors for introducing Aspen's pipeline of generics and OTC products. It would also provide a "strong foundation" for further development of Aspen's Asia-Pacific business; while Sigma's Australian manufacturing presence would "supplement" Aspen's global production capabilities.

Aspen noted that completing the deal depended on regulatory approval and a go-ahead from Sigma's shareholders. It added, however, that "work is ongoing" to fulfil these conditions.

Region	Annual sales (R millions)	Change (%)	Operating profit (R millions)	Change (%)
South Africa	5,652	+31	1,588	-52
Asia Pacific	1,468	+19	-	-
Latin America	1,150	+1	-	-
Rest of world	1,435	+75	-	-
International	4,053	+27	961	±0
Sub-Saharan Africa	910	-2	66	-62
Adjustment	-469	-	-	-
<b>Total Aspen</b>	<b>10,147</b>	<b>+20</b>	<b>2,615</b>	<b>+20</b>

Figure 1: Breakdown of Aspen's sales and operating profit in the year ended 30 June 2010 (Source – Aspen)

## IN BRIEF

■ **RECKITT BENCKISER** has extended the offer period for shareholders in **SSL International** to accept its £2.54 billion (€3.05 billion) takeover bid. SSL's shareholders now have until 7 October to accept the deal, which was announced in July (OTC bulletin, 30 July 2010, page 1). On the initial closing date of 16 September 2010, shareholders representing 45.68% of SSL's stock had accepted the bid.

■ **CELESIO** has snapped up the remaining 35% stake in contract sales and marketing business **Pharmexx** that it did not already own. Last year, the pan-European wholesaler and retailer increased its stake from 30% to 65% (OTC bulletin, 31 March 2009, page 4).

## Preliminary Results

# Ransom makes painstaking progress

William Ransom & Son had made real, but painstaking progress, said the company's non-executive chairman David Suddens, as the troubled UK-based firm reported an operating loss of £12.2 million (£14.6 million) in the year ended 31 March 2010.

"What the company needs is a breathing space from financial pressure," Suddens insisted, "to be able to implement its strategy."

Although a refinancing agreement had been secured in April (*OTC bulletin*, 30 April 2010, page 3), achieving this had eaten up the majority of management's time over the previous year, Suddens pointed out.

Despite this, the two manufacturing divisions – Ransom Pharmaceuticals and Ransom Natural Products – had undergone widespread changes, Suddens noted, while the Consumer Health business had become more focused following the divestment of most of its licensed pharmaceutical brands.

Suddens said he was pleased to hand over to Ransom's incoming chairman Roger Jones with the company on a more stable footing than had been the case during the past three years, adding he hoped the new team would realise the full potential of the business.

Jones will take over from Suddens in October following the company's annual general meeting (*OTC bulletin*, 10 September 2010, page 30). Meanwhile, Fred Whitcomb has taken over as chief executive officer from Ivor Harrison, who left the company on 27 September.

The majority of Ransom's operating loss during the year was attributed by the company to writing down the goodwill valuation of its Consumer Health business by £11.6 million.

The 7% decline in Ransom's total sales to £30.2 million was also blamed on the core Con-

Business	Annual sales* (£ millions)	Change (%)	Operating profit (£ millions)	Change (%)
Consumer Health	17.7	-19	-8.0	-
Pharmaceuticals	8.8	+14	-1.9	-
Natural Products	3.7	+23	+0.5	-
Others	-	-	-2.8	-
<b>Total</b>	<b>30.2</b>	<b>-7</b>	<b>-12.2</b>	<b>-</b>

\* excludes intragroup sales

Figure 1: Ransom's sales and operating profit in the year ended 31 March 2010 (Source – Ransom)

sumer Health division, which reported turnover down by 19% to £17.7 million (see Figure 1).

The lower Consumer Health sales had been caused by divesting a number of non-core brands – as part of a turnaround plan launched two years ago (*OTC bulletin*, 29 September 2008, page 6) – and the "unfavourable economic climate", Ransom said. Exports had decreased by 21%, the company noted, due primarily to the sale of Radian B in 2008 (*OTC bulletin*, 18 December 2008, page 3) and the loss of an export customer.

## Charge leads to Consumer loss

Consumer Health's operating loss of £8.0 million was blamed on the £11.6 million impairment charge. Excluding the goodwill write-down and a £2.2 million gain from brand disposals, the division had reported an operating profit of £1.4 million, Ransom said.

Commenting on the state of the Consumer Health division, Ransom noted that the "onerous and costly supply agreements" made by the division had been a major factor in the weakness of the company as a whole.

To tackle this problem, at the start of the year the company had decided to move its

supply base to the UK, Ransom said, to secure better terms and a more reliable supply. Although the scale and complexity of the task had been significant, it had now been almost completed, the company maintained.

Furthermore, much groundwork had been undertaken to identify and secure additional efficiencies in the supply chain, and this was expected to result in improved margins in the new financial year.

Meanwhile, Ransom said it was still planning to sell its Pharmaceuticals contract manufacturing division, despite the business growing sales by 14% to £8.8 million. The gain was attributed to the continued production of Radian B following the sale of the brand to Thornton & Ross in December 2008.

Asset impairment charges of £1.4 million had widened the division's operating loss from £1.6 million to £1.9 million, Ransom said.

Natural Products turnover increased by 23% to £3.7 million. The division returned to a profit of £0.5 million after reporting an operating loss of £0.3 million a year earlier.

In the longer term, Ransom plans to integrate Natural Products' botanical extracts know-how into its Consumer Health unit.

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Licensing Agreements/Annual Results

## Sinclair grabs rival for Lamisil

Sinclair Pharma has snapped up the rights to a new delivery system for the anti-fungal drug terbinafine, which it hopes will compete with Novartis Consumer Health's single-use Lamisil Once athlete's foot product.

The UK-based speciality pharmaceutical firm said it had licensed from Medpharm the worldwide rights to the US-based company's patented MedSpray delivery platform, which allows the controlled release of terbinafine via a spray-on patch.

Alan Olby, Sinclair's chief financial officer, told *OTC bulletin* that the company would put the unnamed OTC product head-to-head with Lamisil Once, which was currently the only single-application product indicated for the treatment of athlete's foot.

### Most user-friendly delivery

Around 10%-15% of adults in the developed world suffered from athlete's foot, Sinclair claimed, adding that Medpharm's product combined "the most effective active ingredient with the most user-friendly delivery system".

Explaining how the product worked, Olby said the sprayed product dried in the form of a patch on the affected area and released the terbinafine over several days, killing the infection. The patch then wore off, he added.

A phase II non-inferiority study on the product had already been completed and the end points met, Sinclair noted, adding that the company intended to use this clinical data to gain approval in Europe.

Olby said Sinclair would use the European Union's mutual-recognition procedure to get approvals in its operating markets.

Filing is expected to take place in the first half of 2011, according to Sinclair, with the first launches expected in 2012.

The US was also expected to be a key market, Olby added, as it had no approved single-use treatment for athlete's foot.

Meanwhile, Sinclair said its sales had declined by 9.2% to £27.6 million (€33.1 million) in the year ended 30 June 2010. The firm's operating loss after exceptional items stood at £17.0 million, up from £2.7 million in 2009.

The loss had been primarily the result of £8.5 million in impairment charges, the company noted, following its decision to end the development of certain technologies and dispose of its dermocosmetic products.

Licensing Agreements/First-Half Results

## Oxford Nutrascience signs licensing deal for Chewitab

Oxford Nutrascience is expanding the reach of its Chewitab technology by licensing the product to healthcare contract manufacturer DCC Health & Beauty Solutions.

Under the terms of the non-exclusive agreement, UK-based DCC will be able to use the Chewitab technology in the manufacture and sale of chewable tablets for an unlimited range of applications, including production of chewable healthcare supplements.

Oxford Nutrascience will earn royalties on all Chewitab-based products sold by DCC in the UK and Ireland. Rachell Hipkiss, development director at DCC, told *OTC bulletin* that although the deal currently only covered the UK and Ireland, it might be expanded in future.

DCC specialises in providing "outsourced product development, manufacturing, packing and other services" to the health and beauty industry. Its customers include GlaxoSmithKline, Healthspan, Merck KGaA – for which it manufactures the Seven Seas and Lamberts brands in the UK – and Vitabiotics.

Nigel Theobald, chief executive of Oxford Nutrascience, said the deal demonstrated the strength of the firm's business model and validated the efficacy of the Chewitab technology.

"The interest being shown by a number of global healthcare companies in our chewable and soluble products is being fuelled by healthcare organisations striving to find ways to extend their product lifecycles," Theobald claimed.

"This is creating growing demand for more innovative delivery systems and superior product performance," he continued, "and Chewitab provides a solution to this challenge."

Hipkiss said Oxford Nutrascience's "innovative ideas" fitted with DCC's objective of bringing "exciting new solutions to market".

Described as a proprietary technology used in chewable tablets, Chewitab produces a light crunch when bitten and dissolves quickly in the mouth resulting in a "soft pleasant mouth feel with no grittiness".

According to Theobald, Chewitab was a good format for unpleasant-to-take products such as large calcium tablets or children's supplements (*OTC bulletin*, 11 June 2010, page 7).

"The use of soluble fibres enables functional ingredients, such as vitamins and minerals, to be added without compromising taste, texture, or stability," he said, adding that products were "high in fibre yet reduced in sugar and fat".

"One of the attributes of the Chewitab technology is its ability to dissolve quickly in the mouth and mask the taste of chalky ingredients, such as mineral salts. This provides for superior tasting calcium and magnesium-based supplements and antacid preparations," he added.

Earlier this year, Oxford Nutrascience signed a development agreement with Surepharm Services to validate the manufacturing process of Chewitab. This had enabled it to fast-track the development of a range of Chewitab prototypes for potential customers and partners, the company said.

The agreement with DCC was announced shortly before Oxford Nutrascience reported that turnover from its range of branded chewable products had more than doubled in the six months ended 30 June 2010 to £0.08 million (€0.09 million).

The results are the first since Oxford Nutrascience became a listed company on London's Alternative Investment Market (AIM), after raising £1.1 million before expenses through an initial public offering (IPO) (*OTC bulletin*, 26 February 2010, page 8).

### Higher export sales of Ellactiva chews

Higher export sales of the company's Ellactiva brand of calcium chews had driven growth, the company said, noting the Ellactiva calcium chews had been launched in Lebanon, Poland, Saudi Arabia and the United Arab Emirates during the period.

In addition, a distribution agreement for the Ellactiva brand had been struck with Rowlands Pharmacy in the UK, the company said, expanding the brand's distribution beyond Boots stores.

As well as offering its own brands, Oxford Nutrascience is also looking to license its calcium supplement chew in specific territories to international consumer healthcare companies.

The firm's portfolio of chewable products is set to be expanded when the Ellactiva Cranberry chew – targeted at women with urinary tract infections – is introduced to the trade, along with a Chewyz "healthy sweet" for children.

Meanwhile, the firm said it had continued to develop its liquid-suspension technology, with a focus on a "superior tasting" suspension for delivering ibuprofen. The aim is to make it using a simplified process employing significantly fewer ingredients than in existing products.

Business Strategy/First-Quarter Results

## Hi-Tech Pharmacal seeks further OTC acquisitions

Hi-Tech Pharmacal is looking to expand its OTC portfolio through acquisitions, following the purchase of Mag-Ox magnesium supplements earlier this year, says David Seltzer, the US company's president and chief executive officer.

Acquiring the Mag-Ox brand from Blaine Company helped lift sales at Hi-Tech's Health Care Products division by 69% to US\$3.53 million (€2.82 million) in the company's first quarter ended 31 July 2010.

The deal gave US-based Hi-Tech rights to the Mag-Ox, Maginex, Uro-Mag and Corban brands, which generated net sales of US\$3.4 million during 2009 (*OTC bulletin*, 17 March 2010, page 3).

At the time of the deal, Seltzer said Mag-Ox was a good strategic fit with the existing line of OTC brands for diabetics offered by the company's Health Care Products division. He noted that magnesium deficiency was common among people with diabetes as well as those with metabolic syndrome, high blood pressure or cardiovascular conditions.

Mag-Ox joined Hi-Tech's existing OTC brands for diabetics including Diabetic Tussin for coughs and colds, Diabeti Derm skincare creams, Diabeti Sweet sugar substitutes, the Multi-betic multiminerals/multivitamin supplement for diabetics, and Zostrix cream for relief of diabetic foot pain.

The Health Care Products division accounted for 8.7% of Hi-Tech's total sales, which fell by 7% to US\$40.4 million in the quarter.

Sales by the dominant Generics division, which dropped by 12% to US\$32.3 million, accounted for nearly four-fifths of the company's turnover. ECR Pharmaceuticals produced a further 8.6%, while the Midlothian Laboratories niche generics business was responsible for the remainder.

Meanwhile, Hi-Tech has received a Warning Letter from the US Food and Drug Administration (FDA) about violations of current Good Manufacturing Practice (cGMP) at the company's US facility in Amityville, New York, as well as making an unapproved, morphine-based prescription drug.

Mergers &amp; Acquisitions/First-Half Results

## Pharmstandard to gain Acipol

Russia's Pharmstandard is set to expand its domestic OTC offering by acquiring Vin-dexpharm and its Acipol probiotic brand for an undisclosed sum.

Acipol generated sales of over RUB500 million (€12.7 million) between 2007 and 2009, Pharmstandard claimed, and was one of the fastest-growing brands in Russia's probiotic sector with annual growth exceeding 50%.

Marketed for the treatment of what Pharmstandard described as "disbacteriosis of the gastrointestinal tract", Acipol had taken a 4.3% share of the Russian probiotics market worth RUB5.2 billion in 2009, Pharmstandard said.

In the first half of 2010, Acipol's sales increased by 12% to RUB116 million.

Noting that Acipol already had a good reputation with general practitioners in Russia, Pharmstandard said it intended to launch an advertising campaign to grow recognition of the brand with consumers.

### OTC products grow 4.7%

Meanwhile, sales of Pharmstandard's existing OTC products grew by 4.7% in the opening six months of the year to RUB5.68 billion.

The company said turnover from its branded OTC products had increased by 3.9% to RUB4.67 billion, with the Arbidol flu product, Complivit vitamins and Pentalgin analgesics leading the growth, along with the Afobazol, Amixin and Flucostat brands.

Sales of Pharmstandard's non-branded OTC products grew even faster than their branded counterparts, with turnover rising by 8.4% to RUB1.01 billion. Non-branded products now represent 17.8% of the firm's total OTC sales.

OTC products accounted for 50.3% of sales at Pharmstandard's Pharmaceuticals division, which moved forward by 15.4% to RUB11.3 billion. The company's branded and non-branded prescription products contributed a further 14.1%, and sales of third-party prescription products generated the remainder.

The Pharmaceuticals division accounted for 97.8% of Pharmstandard's first-half sales, which grew by 14.7% to RUB11.5 billion.

Medical equipment and disposables made up the remaining 2.2%. Sales at the Medical Equipment and Disposables division finished down by 7.8% to RUB252 million.

Pharmstandard's pre-tax profits increased by 6.8% to RUB3.49 billion.

Business Strategy

## OTC to play key role at new Valeant

OTC brands will be an important part of Valeant Pharmaceuticals International's strategic focus – along with proprietary prescription products and branded and unbranded generics – once the merger with Biovail is done.

In an e-mail sent to employees, Valeant's chairman and chief executive officer Michael Pearson said the combined business aimed to "become the leading speciality pharmaceutical company in the world".

Pearson, who will personally oversee the combined company's branded generics operations in Europe and Latin America, said Valeant would have "a decentralised organisational model" with 10 operating units.

The total organisation will include a unit in Brazil, where Valeant has just bought two OTC and branded generics firms (*OTC bulletin*, 31 March 2010, page 3; *OTC bulletin*, 30 April 2010, page 3).

There will also be a unit in Canada, where it recently acquired Laboratoire Renaud (*OTC bulletin*, 18 December 2009, page 7) and OTC

dermatology specialist Vital Science Corp (*OTC bulletin*, 14 May 2010, page 3).

Other units will cover operations in Australia/New Zealand, Barbados, Europe and Mexico; and there will be four separate units covering various businesses in the US, including Valeant's US OTC dermatology operations.

"We will operate a low-cost operating model in all we do," Pearson promised, adding that Valeant would be flexible and open to divesting assets that were worth more to third parties. "Over time, I would expect us to both enter and exit geographies, therapeutic areas, and potentially even product forms."

Pearson noted that the combined company would cut its workforce in Canada and the US by approximately a quarter.

Valeant announced in June that it planned to merge with Canada's Biovail to create a "leader in speciality pharmaceuticals" with combined sales of around US\$1.75 billion (€1.37 billion) (*OTC bulletin*, 30 June 2010, page 3).

Trading Update

## Sigma suffers further charge

Sigma Pharmaceuticals has admitted that its earnings in the six months ended 31 July 2010 were likely to be hit by an asset impairment charge of between A\$220 million-A\$270 million (€157 million-€193 million), after it agreed to sell its Pharmaceuticals division to South Africa's Aspen Pharmacare.

Although the A\$900 million-deal with Aspen (OTC bulletin, 10 September 2010, page 3) was not yet complete, Sigma said the fact that the deal had been accepted meant its goodwill valuation of the Pharmaceuticals division would have to be reduced yet again.

In the year ended 31 January 2010, Sigma's Pharmaceuticals division incurred an operating loss of A\$125 million on turnover down by 5.6% to A\$671 million as the firm wrote-off A\$49.1 million of goodwill attached to its Herron brand and A\$375 million of goodwill attached to its Arrow generics operation (OTC bulletin, 16 April 2010, page 2).

This latest impairment charge would also impact on the Australian firm's full-year results, Sigma pointed out, and would likely put it in breach of its banking covenants.

The company said it intended to use part of the proceeds from the sale of the Pharmaceuticals division to pay down its bank debt and that discussions were ongoing with lenders over waiving the covenants.

OTC

Mergers & Acquisitions

## Takeover of NBTY given green light

NBTY's shareholders have approved the firm's acquisition by the private-equity company The Carlyle Group. The US\$55.00 (€41.27) per share deal values the US-based manufacturer and retailer of nutritional supplements at US\$3.80 billion.

Shareholders representing 79.6% of NBTY's outstanding common stock had voted in favour of the takeover, the company said, noting that all the pre-close conditions laid out in the deal proposal had now been satisfied.

NBTY said it expected that the deal – which was announced in July (OTC bulletin, 30 July 2010, page 1) – could be completed as soon as the beginning of October 2010.

OTC

Business Strategy/First-Half Results

## Futura says its condom is attractive to non-users

Futura Medical said that almost half of non-condom users would be interested in purchasing its CSD500 condom designed to help healthy men maintain an erection, as SSL International prepares to launch the product under the Durex brand name.

Market research had found that 88% of condom users in the UK would be interested in CSD500, Futura said, and 49% of non-condom users would consider buying the product.

The research also showed that 46% of men had experienced some loss of sensitivity when using a condom for sexual intercourse, Futura pointed out, which could lead to the loss of an erection.

This was one reason why some men avoided condoms, the firm said, thereby increasing the risks of unwanted pregnancy and contracting or spreading sexually-transmitted infections.

CSD500 is expected to receive its European CE quality mark before the end of the year. SSL had been addressing a small number of points ahead of CE mark approval, Futura noted, none of which the company considered material.

Commenting on the takeover of SSL by Reckitt Benckiser, Futura said that the distribution strength and brand-building capabilities of Reckitt Benckiser could only be viewed as a positive thing for both Durex and CSD500.

The company said it would continue to work closely with SSL to manage the CSD500 project during the takeover period.

Over the opening six months of 2010, progress had been made both in advancing Futura's pipeline of products and in developing its commercial relationships, the company said.

As well as submitting CSD500 for approval as a Class III medical device, the company had successfully changed the formulation of its

PET500 product for delayed ejaculation so it could be marketed in the US without any further regulatory approvals or clinical data (OTC bulletin, 17 March 2010, page 8).

Futura said that commercial discussions with parties interested in PET500 were ongoing, and subject to the signing of a commercial agreement, the product could be launched in the US in the "foreseeable future".

At the close of the six-month period, Futura signed a development agreement with GlaxoSmithKline Consumer Healthcare for its TPR100 topical OTC pain-relief product (OTC bulletin, 30 July 2010, page 7).

Under the terms of the deal, GlaxoSmithKline has agreed fully to fund – and be responsible for – all clinical and regulatory development of the product, which is based on Futura's DermaSys drug-delivery technology.

Futura said the agreement with GlaxoSmithKline had "endorsed" TPR100, and the firm hoped that this would attract partners for its higher-dose prescription TPR100-Rx product.

Other products in Futura's pipeline include a topical gel for erectile dysfunction – licensed to SSL – and a topical "rapid anaesthetic delivery" product.

Turning to the company's financial position, Futura said its cash burn over the first half of 2010 had been "modest" as it continued to manage its financial resources carefully to ensure it would achieve its goal of becoming a "profitable, revenue-generating company in receipt of recurring royalties from multiple products".

Futura reported an operating loss of £0.61 million (€0.74 million) for the six months, down from an operating loss of £0.72 million a year earlier. The firm generated revenue of around £0.13 million.

OTC

### IN BRIEF

■ **GRINDEKS** has reported sales up by 7.7% to LVL32.1 million (€45.2 million) in the first half of 2010. The Latvian firm offers a portfolio of prescription medicines, generics, active pharmaceutical ingredients and OTC brands.

■ **NEPENTES** said its sales in the first half of 2010 had remained steady at approximately PLN64.5 million (€16.2 million) despite the "largest deceleration of growth in the pharma-

ceutical and OTC markets" across central and eastern Europe in a decade.

■ **GALENICA** said sales by its **Vifor Pharma Consumer Healthcare** business – including OM Pharma for the first time – had risen by 94.8% to CHF110 million (€83 million) during the first half of 2010. Swiss sales reached CHF37.7 million.

OTC

Regulatory Affairs

# Dextromethorphan set to stay OTC in US

Cough medicines containing dextromethorphan look set to remain available without a prescription in the US, despite calls to restrict sales of such products.

At a meeting on 14 September, the US Food and Drug Administration's (FDA's) Drug Safety and Risk Management Advisory Committee voted against a proposal to make dextromethorphan a prescription-only medicine. The FDA generally – but not always – follows the recommendations of its advisory committees.

Welcoming the result of the vote, the Consumer Healthcare Products Association (CHPA) in the US said that the advisory committee's decision reflected “a sound balancing of the benefits of OTC medicines containing dextromethorphan”.

The industry association pointed out that dextromethorphan was in nearly 90% of OTC cough suppressants sold in the US. Pfizer's Robitussin, Johnson & Johnson's Tylenol and Procter & Gamble's Vicks are among the brands offering products with dextromethorphan.

According to the CHPA, around 40 million American households turned to dextromethorphan-containing OTC medicines each year to relieve cough symptoms. “Because of cough's widespread prevalence and effects, it is vital for people to have OTC access to safe and effective self-treatment,” the industry association insisted.

## IN BRIEF

■ **JOHNSON & JOHNSON** is set to make a US\$1.75 billion (€1.31 billion) bid to take full control of the Dutch vaccines company **Crucell**. Johnson & Johnson already holds a 17.9% stake in Crucell through an affiliate. In a joint statement, the two companies said they were in “advanced negotiations”.

■ **RANBAXY** has invested US\$30.0 million (€22.5 million) in a manufacturing facility in **South Africa**. The Indian firm said the new Be-Tabs pharmaceuticals manufacturing plant would produce a “comprehensive” range of OTC medications and other products in a number of formats, including tablets and capsules.

■ **SCOLR Pharma** said fellow US firm **The Emerson Group** would provide sales support for its new line of extended-release nutritional products and OTC medicines.

The FDA's advisory committee met on 14 September to discuss the abuse potential and public health benefits of prescription and non-prescription drugs containing dextromethorphan. The meeting followed a request from the Drug Enforcement Administration for a “scientific and medical evaluation and scheduling recommendation for dextromethorphan in response to the increased incidence of abuse, especially among adolescents” (*OTC bulletin*, 10 September 2010, page 13).

Shortly before the meeting, the CHPA's president, Linda Suydam, said industry wanted to “stop the intentional abuse of cough medicine while allowing for continued, responsible availability of these medicines”.

The CHPA acknowledges that “some teenagers and young adults intentionally abuse large amounts of medicines containing dextromethorphan to get high”. The association has supported educational efforts to curb abuse of dextromethorphan for many years, and runs the

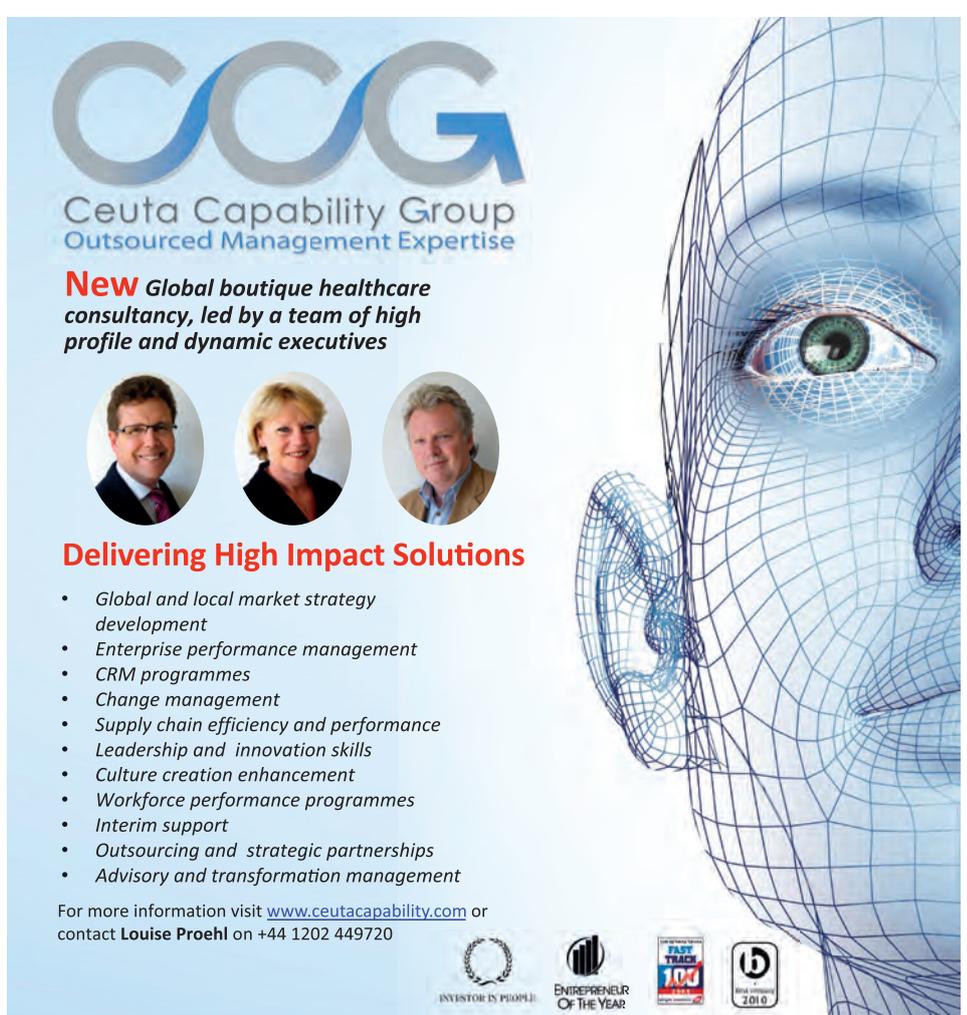
StopMedicineAbuse.org website.

Following the meeting, the CHPA said it recognised “the need for continued education to keep any abuse levels low”.

The CHPA also highlighted that it had “long called for federal legislation that would limit purchases of bulk quantities of dextromethorphan to manufacturers who are registered with the FDA”. “We believe that a statutory ban on sales of dextromethorphan medicines to those under 18 would limit abuse,” it added. “We also believe that legislation must be matched with targeted research-based education, which has been shown to be effective in reducing substance abuse.”

“Research over the past 35 years clearly shows that targeted educational interventions focusing on increased parental awareness and increased perceptions of the risks and social disapproval are the most effective abuse-reduction strategies,” continued the CHPA.

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Regulatory Affairs

## Parliament adopts pharmacovigilance

Marketing authorisation holders will be required to submit information on all non-serious suspected adverse reactions electronically to the Eudravigilance database within 90 days of having received the information, according to the draft pharmacovigilance directive adopted by the European Parliament on 22 September.

### Passed with a large majority

Passed with a large majority, the text had already been thrashed out between Commission, Council and Parliament and is expected to go through at the beginning of 2011.

Plans for a boxed summary of essential product information have been dropped, but the Commission has two years to assess the shortcomings of product information contained in summaries of product characteristics and package leaflets, and recommend how the information could be improved for patients and health-care professionals.

OTC

Retailing

## German court okays ban on self-selection

Germany's ban on consumers self-selecting pharmacy-only medicines is compatible with the country's constitution and is therefore legal, according to an upper administrative court in North-Rhine Westphalia.

Responding to an appeal by an undisclosed pharmacist against a lower court's decision in 2007, the upper administrative court highlighted that paragraph 17 of Germany's pharmacy operations ordinance, or *Apothekenbetriebsordnung*, prohibits self-selection of all but general-sale medicines.

"The ban on self-selection of pharmacy-only medicines is suitable and necessary to achieve the legislative goal of guaranteeing the safety of medicines," the court concluded in its ruling.

### Not changed by mail order

This situation, the court continued, had not been changed by the German government's decision to allow pharmacists to sell pharmacy-only and prescription-only medicines by mail-order from 2004.

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Pricing

## French free-access move produces a drop in prices

Prices of non-prescription medicines available through France's 'free access' self-selection scheme have dropped by an average of 1.2% during the past two years, according to French health insurer *Mutualité Française*.

Quoting a survey carried out by market researcher Celtipharm, the organisation said that the 'free access' displays permitted in French pharmacies for certain non-prescription medicines since 2008 (*OTC bulletin*, 31 July 2008, page 17) had encouraged price competition and the average price of self-selection medicines had fallen between 2008 and 2010.

### Conceals a wide disparity

However, *Mutualité Française* pointed out that this national average figure concealed a wide disparity between prices for the same self-selection products in different regions of France. Vitamin C sold in packs of 20 or 30 x 1g tablets could cost as little as €0.05 per tablet in the Languedoc-Roussillon region, but as much as

€0.28 per tablet in Franche-Comté, the survey revealed. Similarly, the price of a pack of 14mg nicotine patches varied between €18.50 and €50.00 in different pharmacies.

Prices also varied considerably within the same region for the same products, *Mutualité Française* said. In the Auvergne region, the price of OM Pharma's Dicynone circulatory product varied between €2.25 and €9.40 per pack, meaning that its highest price was more than four times its lowest price.

Calling the current state of 'free access' pricing a "jungle", *Mutualité Française* said that the prices of self-selection medicines seemed to be getting completely out of control.

The organisation's director-general, Jean-Martin Cohen Solal, said it was unfortunate that the government had implemented no pricing controls when 'free access' was introduced, and he regretted that customers had so little clarity when it came to the pricing of self-selection medicines.

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Regulatory Affairs

## J&J claims US FDA was aware of recall

Johnson & Johnson claims the US Food and Drug Administration (FDA) knew about an alleged "phantom recall" by its McNeil Consumer Healthcare subsidiary of Motrin products in 2008.

In June of this year, the House of Representatives' Committee on Oversight and Government Reform accused McNeil of covering up the potential recall of its Motrin analgesic by claiming that its contractor had been asked to perform "statistical sampling" (*OTC bulletin*, 11 June 2010, page 1).

The committee said that a proper recall had only been carried out after the FDA had caught the company carrying out the "phantom recall".

However, in a letter to the committee's chairman Edolphus Towns, McNeil cites e-mails from the company to the FDA, which it claims prove it had informed the agency that it had detected a problem with certain batches of Motrin and had employed a contractor to remove the product from stores. McNeil maintains that the e-mails also show that the FDA had agreed to the strategy.

The letter was sent ahead of the scheduled appearance by William Weldon, Johnson & Johnson's chairman and chief executive officer, in front of the Committee on Oversight and Government Reform on 30 September.

However, Towns has added to Weldon's woes by asking him also to explain additional information received by the committee since its first investigative hearing.

### E-mail from recall contractor

Towns quotes an email from an executive at WIS, McNeil's recall contractor, that his firm was "exploring another similar, but potentially larger, recall involving Children's Tylenol". This, the WIS executive added, "would make our Motrin project look small".

Given the e-mail was dated June 2009, almost a year before the Tylenol recall was initiated this April, Towns wants to know whether Johnson & Johnson was aware of its problems with children's medicines "months before it actually recalled these products".

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Mergers & Acquisitions

## Meda snaps up six OTC brands

■ Continued from front page

products, Resulax constipation remedy and Kajos potassium supplement.

Meda is paying just over twice the combined annual sales of the brands, which stood at SEK88 million in 2009.

Anders Larnholt, Meda's vice-president of corporate development and investor relations, told *OTC bulletin* the company would look to take the brands into new markets via Meda's freshly expanded OTC network.

Earlier this month, Meda announced that it would be entering the US OTC market after agreeing to acquire the speciality pharmaceutical company Alaven for around US\$350 million (€261 million) (*OTC bulletin*, 10 September 2010, page 1).

Acquiring Alaven would provide Meda with a "strategic OTC platform in the US", the company said, through which it could commercialise "strategic pipeline opportunities".

Meda's OTC offering had grown steadily over the past few years, Larnholt said, and now accounted for around SEK1.5 billion of total group sales, which had reached SEK13.2 billion in 2009.

The majority of the company's OTC sales are generated by its Betadine antiseptic brand, which had sales of SEK898 million in 2009 (*OTC bulletin*, 26 February 2010, page 10).

Pricing & Reimbursement

## Switzerland creates group for complementary debate

An expert group within an advisory body to Switzerland's federal department of home affairs is to prepare a debate on whether complementary medicine – including herbal remedies, homoeopathic and anthroposophic products, and traditional Chinese medicine – should be reimbursed by the country's statutory health insurance funds.

Switzerland's ELGK commission – which advises the department of home affairs on fundamental questions around the spectrum of services provided and reimbursed – formed the expert group following formal requests from industry associations to bring complementary medicine within the scope of services provided by statutory funds (*OTC bulletin*, 31 May 2010, page 14).

### More detailed input needed

The commission's initial considerations of the request at a meeting held on 9 September suggested that it needed more detailed input from an expert group. "The debate showed that a deeper, more fundamental discussion needed to be conducted," the department of home affairs stated, adding that the commission would look again at the issue during its next meeting.

While the department of home affairs had

been expected to make a decision on reimbursing complementary medicines by the end of this year, it now appears likely that any action will be pushed back to 2011 at the earliest.

Last year, a Swiss referendum found that two-thirds of voters supported the idea of placing a commitment to complementary medicine in the country's constitution (*OTC bulletin*, 19 June 2009, page 8).

A campaigning group called *Ja zur Komplementärmedizin* – which included manufacturers, healthcare professionals, academics and retailers – insisted that therapies such as herbal medicines and homoeopathy had been "politically marginalised" in Switzerland over the past few years.

"Anthroposophic medicine, homoeopathy, neural therapy, herbal medicine and traditional Chinese medicine should become a definitive part of basic healthcare insurance," the group maintained.

Switzerland's federal council, *the Bundesrat*, has already passed a motion to support measures that would integrate complementary medicine in education for doctors, chiropractors, dentists and pharmacists.

A consultation period is set to open at the end of this year.

Regulatory Affairs

## FDA acts against electronic cigarettes in the US

Electronic cigarettes and any similar products should be regulated as drugs, the Food and Drug Administration (FDA) in the US has just decided.

Warning Letters have been sent by the regulatory agency to five distributors of electronic cigarettes for various violations of the Federal Food, Drug, and Cosmetic Act (FDCA), including "unsubstantiated claims and poor manufacturing practices".

### Claimed to help people quit smoking

The FDA said all five companies claimed their products, which are designed to deliver nicotine in the form of a vapour, could help people quit smoking cigarettes.

Noting that it had not reviewed any relevant

evidence, the FDA pointed out that under the FDCA a company "cannot claim that its drug can treat or mitigate a disease, such as nicotine addiction, unless the drug's safety and effectiveness have been proven".

In another letter sent to the Electronic Cigarette Association, the FDA outlined the regulatory pathway for marketing drug products in compliance with the FDCA, including the New Drug Application (NDA) procedure.

For a drug product to gain FDA approval, a company must demonstrate to the agency that the product is safe and effective for its intended use. The company must also demonstrate that the manufacturing methods are adequate to preserve the strength, quality and purity of the product.

The FDA invited electronic cigarette firms to work in cooperation with the agency toward the goal of assuring that electronic cigarettes sold in the US were lawfully marketed.

Warning Letters were sent by the FDA to E-CigaretteDirect, Ruyan America, Gamucci America (Smokey Bayou), E-Cig Technology and Johnson's Creek Enterprises.

Certain companies had received warning letters for additional reasons, including marketing the erectile dysfunction drug tadalafil and the weight-loss drug rimonabant in unapproved liquid forms, added the FDA, noting that these liquid pharmaceuticals were designed to refill cartridges used in electronic cigarettes so that the drugs could be vaporised and inhaled.

Market Research

# German assistants keen on homoeopathy training

Nearly nine out of 10 pharmacy assistants in Germany would welcome further-education courses on homoeopathy, according to a survey conducted by Germany's medicines manufacturers' association, the BAH, in conjunction with *PTA* magazine.

Just over four-fifths of the 686 pharmacy assistants who responded by post, fax or online to a questionnaire included in *PTA* magazine also said that homoeopathy should be integrated into their official training.

The BAH already works closely with the Lower Saxony academy for homoeopathy and natural therapies to provide training nationwide for pharmacy assistants.

Furthermore, the industry association recently collaborated with the German pharmacists' marketing association, the MGDA, to create an online training programme called Competence Center Naturarznei that focuses on herbal and homoeopathic remedies (*OTC bulletin*, 30 June 2010, page 10).

According to the survey, German pharmacy assistants were frequently called upon to display their knowledge. Just over six out of 10 said that they fielded several customer enquiries

about homoeopathic remedies each day, while another 25% were asked around once per day.

A third of assistants said they recommended homoeopathic treatments several times per day, while half of respondents did so on a daily basis. None of the 686 assistants surveyed refused to recommend such a product.

The willingness of assistants to recommend homoeopathic treatments increased slightly with their age and professional experience.

When asked what level of advice pharmacy customers needed on homoeopathy, 62% of assistants described it as "high" and a further 30% as "very high".

A survey commissioned by the BAH last year discovered that 53% of Germans had taken a homoeopathic remedy (*OTC bulletin*, 16 September 2009, page 20).

Self-medication or OTC sales of homoeopathic medicines through German pharmacies increased by 2% to €300 million at retail selling prices last year. This compared favourably with the total non-prescription market through pharmacies, which declined by 3% to €5.28 billion, according to IMS Health figures released by the BAH.

Patent Challenges

# Schering-Plough defends Zegerid

Schering-Plough has defended its Zegerid OTC heartburn medicine in the US by filing a patent-infringement lawsuit against store-brand specialist Perrigo and generics firm Par Pharmaceutical.

The move came after Perrigo and Par filed Abbreviated New Drug Applications (ANDAs) for a generic combination of 20mg omeprazole and 1,100mg sodium bicarbonate capsules with the US Food and Drug Administration (FDA), effectively challenging Zegerid OTC's patents.

In the lawsuit, Schering-Plough – which is part of Merck & Co (*OTC bulletin*, 17 March 2009, page 1) – and its development partner Santarus allege infringement of all four patents listed against the OTC brand in the Orange Book maintained by the FDA. The four patents expire on 15 July 2016.

The two brand firms are currently appealing against a Delaware district court's finding earlier this year – in a case concerning the prescription version of Zegerid – that the same patents were invalid due to obviousness (*OTC bulletin*, 30 April 2010, page 1).

Merck & Co launched Zegerid OTC in April and has backed the brand with a national television advertising campaign (*OTC bulletin*, 16 April 2010, page 14).

British Medical Journal

# Glucosamine and chondroitin do not work, claims study

Products containing glucosamine, chondroitin or a combination of glucosamine and chondroitin do not relieve joint pain, according to a study published in the medical journal *bmj.com*.

The researchers behind the study – led by Professor Peter Jüni of the University of Bern in Switzerland – insist that "health authorities and health insurers should not cover the costs of these preparations".

However, noting the products are "not dangerous", the researchers add that they see "no harm in having patients continue these preparations, as long as they perceive a benefit and cover the cost of treatment themselves".

## Some products authorised as medicines

Commenting on the study, the Health Supplements Information Service (HSIS) pointed out that some glucosamine products on the UK

market were medicines licensed for the treatment of osteoarthritis of the knee. "These products were given marketing authorisations because they were able to show clinical benefit," stressed the industry-sponsored body.

The HSIS added that most of the glucosamine and/or chondroitin taken by people in the UK was in the form of nutritional supplements intended for the maintenance of joint health. "These products are not paid for by the National Health Service (NHS) but by people themselves who try them and find that they help their joints," it noted.

Carrie Ruxton from the HSIS drew attention to the fact that glucosamine and chondroitin were "not easily available from natural food groups and therefore supplementation is important for those that do find them helpful".

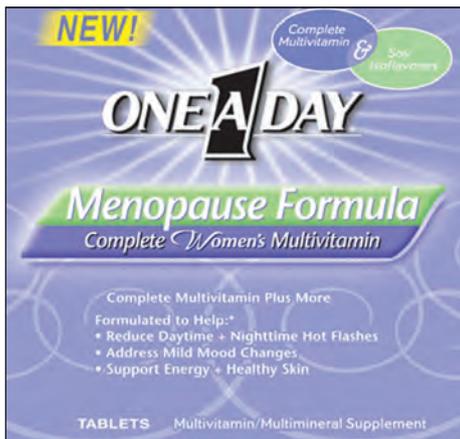
The study published in the *bmj.com* was a meta-analysis of 10 published trials involving

3,803 patients suffering from osteoarthritis of the knee or hip.

According to the researchers, there was no clinically relevant effect of glucosamine, chondroitin or a combination of glucosamine and chondroitin on perceived joint pain or on joint space narrowing.

"Estimated differences between supplements and placebo were less pronounced on average in industry independent trials," maintained the researchers, "and estimated treatment effects in industry independent trials were small or absent and clinically irrelevant."

The *bmj.com* study notes that chondroitin and glucosamine have been recommended in guidelines, prescribed by general practitioners and rheumatologists, and used by patients as OTC medications to modify the clinical and radiological course of osteoarthritis.



Bayer Consumer Care is backing its new One A Day Menopause Formula in the US with a public relations campaign to coincide with Menopause Awareness Month this September.

The company is marketing the dietary supplement as “a complete multivitamin with soy isoflavones to help address hot flashes and mild mood changes”. Bayer added that it provided calcium to support bone strength and vitamin D to support breast health.

In addition, the company has launched a website – available at [www.livemenopause.com](http://www.livemenopause.com) – that offers menopausal women information about the condition and enables them to share their experiences.

Meanwhile, Bayer has also started a public relations campaign for its new One A Day Men's Pro Edge, which is positioned as “a complete multivitamin with high levels of key ingredients to support the needs of a physically active man”.

Noting that One A Day Men's Pro Edge contained magnesium to support healthy muscle function, Bayer said it provided vitamins A, C and E “to meet the increased need for antioxidants caused by moderate to intense physical activity” and B vitamins to “help convert food to fuel”.

The company is also backing the products, which were launched in May, with television advertising.

The One A Day Menopause Formula retails for US\$15.99-US\$17.99 (£11.99-£15.49), while One A Day Men's Pro Edge sells for US\$7.99-US\$9.99.

OTC

Mergers & Acquisitions

## Prestige snaps up Blacksmith's OTC

Continued from front page

with the company's strategy of acquiring businesses that had “strong consumer franchises”, and were also “important to retailers”.

In 2009, Prestige announced that it would focus on its OTC Healthcare division and its smaller Household Cleaning Products business (OTC bulletin, 16 November 2009, page 8).

Since then, Prestige's acquisition policy has focused exclusively on the OTC market. The company said it was seeking OTC brands that had strong consumer recognition, were attractive to retailers and would add to its existing core categories of cough and cold, eye and ear care, oral care, and skin and foot care.

OTC

Line Extensions

## Durex and boy band JLS offer Just Love Safe range

SSL International has teamed up with ‘boy band’ JLS to launch a range of Durex condoms called Just Love Safe in the UK.

There are four different packs in the range, each carrying a picture of a different boy from the four-strong band. Each of the packs contains three Durex Extra Safe condoms.

All of the band's profits from the sales will be donated to the group's charity, the JLS Charitable Foundation, which will distribute the funds to sexual health initiatives in the UK.

Marvin of JLS said the band had come up

with the idea of Just Love Safe “as we wanted to send a clear message out to fans that are over 16 and sexually active, and that is always to use a condom during sex”.

Martyn Ward, managing director of SSL International, said that his company hoped that partnering with the country's current biggest boy band JLS would get across a serious health message and have an impact upon the sexual health of the nation.

Just Love Safe condoms have a recommended retail selling price of £2.99 (€3.59).



Each of the four packs in SSL International's new Durex Just Love Safe range of male condoms carries a picture of a different boy from the ‘boy band’ JLS

Recalls

## Pfizer recalls one lot of ThermoCare

Pfizer Consumer Healthcare has voluntarily recalled one lot of its ThermoCare Heat-Wraps Menstrual product distributed in the US and Puerto Rico.

The company said it was taking this “pre-

cautionary step” after finding “a potential for a leak of the components contained in the wrap, which could cause skin injury such as irritation or burn”.

No other ThermoCare products are affected.

OTC

Retailing

## DocMorris targets Europe's over-50s

Continued from front page

-gel's experience of running a mail-order company aimed at consumers over 50 years of age.

Armin Bischoff, chief executive officer of Klingel, said Wellsana-Apotheke would address the needs of the growing number of people over the age of 50 by offering comprehensive advice via the company's catalogues and its website, along with an easy ordering system and short delivery times.

The joint venture is expected to start operating in 2011, subject to approval from the relevant European anti-trust authorities and li-

censing from the relevant authorities in the Netherlands.

Klingel's existing Wellsana mail-order business already offers a range of non-pharmacy wellness and health products to the over 50s in the Netherlands and Germany.

DocMorris, which is Europe's largest internet and mail-order pharmacy, operates in Germany from a base in the Netherlands.

To read more about internet and mail-order pharmacies in Europe turn to page 22.

OTC

Business Strategy

# GlaxoSmithKline sells brands online in UK

GlaxoSmithKline Consumer Healthcare has started selling a number of its brands directly to consumers online through a new website in the UK.

The company is positioning GSK Direct – located at [www.gskdirect.co.uk](http://www.gskdirect.co.uk) – as “the new online store for all your healthcare needs”.

The website is initially offering a selection of general-sales list (GSL) medicines and personal-care brands, including Aquafresh, Beechams, Biotène, Breathe Right, Corsodyl, Macleans, NiQuitin, Panadol, Piritzeze, Poligrip and Sensodyne. Some of the products are retailing at the recommended selling price, while consumers can make savings on others.

## Still finalising marketing plans

Paul Gurnell, GlaxoSmithKline Consumer Healthcare UK’s category and e-commerce controller, said the company was still finalising its marketing plans for GSK Direct. He noted, however, that the plans would be “linked closely to customers who are actively searching for information and advice on our brands”.

GlaxoSmithKline pointed out that a number of pharmacy-only (P) medicines would be added to the website, which is a registered pharmacy, later this year.

One of these P medicines will be the Alli weight-loss medicine, which is already available online from a number of retailers. Both the Boots and Lloydspharmacy websites are offering substantial savings on Alli.

In Germany, noted GlaxoSmithKline, online and mail-order sales accounted for 30.8% of Alli’s sales in the first year following its launch.

Alli, which is based on the active ingredient

orlistat, was launched in 24 European Union countries, including Germany, in April of last year after it gained a non-prescription licence from the European Commission (*OTC bulletin*, 30 April 2009, page 22).

A spokesperson for GlaxoSmithKline said the company had no immediate plans to launch GSK Direct in other countries. Pharmacy ownership rules would be a barrier to such a move in some countries.

Although it is common for marketers of food supplements to sell products directly to consumers through their own websites, it is unusual for makers of non-prescription medicines. Websites for non-prescription medicines generally direct potential buyers to websites run by retailers.

That said, Bayer HealthCare looks set to sell its non-prescription medicines – including Alka-Seltzer, Canesten and Rennie – directly to consumers in the UK through a website at [www.bayer-shop.co.uk](http://www.bayer-shop.co.uk).

The GSK Direct website provides category and product information on allergies, colds and flu, mouth care, pain relief and smoking cessation. GlaxoSmithKline said that more categories would soon be covered, including weight loss.

Commenting on the reasons for the launch, GlaxoSmithKline said GSK Direct would enable the company to “gain greater insight into how consumers shop online” by helping to “understand what consumers demand from their products, the information they seek and the services they require”.

Gurnell remarked that GSK Direct would help GlaxoSmithKline gain a better understanding of the differences between store and online shopper behaviour, as well as test varying en-



General-sales list medicines and personal-care products are available in the UK from the GSK Direct website, which will also offer pharmacy-only medicines later this year

vironments and structures for its brand engagement online.

“Furthermore,” he added, “having access to retail shopper data for 100% of our transactions will also help us to fine tune our merchandising and promotional strategies for traditional store environments to the mutual benefit of our retailers and ourselves.”

In addition, GSK Direct would enable the company to develop concepts that could be used by its retail partners, and help them develop their health and personal care categories, he said.

## IN BRIEF

■ **HERBALIFE** is now the official nutrition sponsor of **Argentina’s Club Atlético Lanús** football and basketball teams. The one-year deal will see Herbalife’s branding appear on the players’ jerseys, and the US-based direct-selling specialist will have signage and branding rights to the club’s stadium. In addition, Herbalife said it would educate the players on sports nutrition. Herbalife is sponsoring more than 150 athletes, teams and sporting events worldwide this year, including Barcelona Football Club in Spain and Maccabi Haifa Football Club in Israel (*OTC bulletin*, 10 September 2010, page 18).

## Licensing Agreements

# Merck gains glucose spray in Mexico

Merck KGaA has agreed a licensing deal that will allow it to market and distribute Generex Biotechnology Corporation’s OTC glucose spray in Mexico.

Glucose RapidSpray will be sold in Mexico under Merck’s Diabion brand of food supplements for people with diabetes as Diabion GlucoShot.

Generex described the spray as “a proprietary, innovative alternative for people who require or want additional glucose”.

Noting that the spray was a fat-free and low-calorie glucose formulation, Generex said it

was “simple to carry and use with no large tablets to chew or messy gels to swallow”. It delivers glucose directly into the mouth where it is absorbed.

Generex said Glucose RapidSpray was currently available in Canada, the Middle East and the US. The company added that it was in the process of registering the spray for retail marketing in other countries.

Merck KGaA’s Consumer Health Care unit reported sales up by 6% to €467 million in 2009 (*OTC bulletin*, 17 March 2010, page 4).



A playground roundabout symbolises a whirl of thoughts and concerns in the latest press advertising for Spitzner Arzneimittel's Lasea herbal anxiety remedy.

An image of a spinning roundabout is surrounded by words such as "illness", "work" and "debts". A headline states "Das Gedankenkarussell dreht sich immer wieder!", which translates as "The roundabout of thoughts keeps on turning!".

A field of lavender bushes in the background highlights Lasea's active ingredient of 80mg standardised lavender oil per softgel capsule.

The campaign is running in women's magazines such as *Bild der Frau* and *Das Goldene Blatt*, as well as in pharmacy-customer magazines including *Apotheken Umschau*.

A four-page insert in the trade press states that Lasea works by limiting the influx of calcium into nerve cells. It cites a double-blind trial that showed the herbal medicine was as effective as 0.5mg lorazepam. It also encourages pharmacists to order promotional leaflets and carrier bags.

Spitzner introduced the "unique" product earlier this year (OTC bulletin, 17 March 2010, page 18).

IN BRIEF

THE MENTHOLATUM COMPANY is pushing its **Deep Heat** topical pain relievers in the UK with a £0.5 million (€0.6 million) television advertising campaign running throughout October. The campaign features the 10- and 30-second commercials with a female voiceover which made their debut earlier this year (OTC bulletin, 10 February 2010, page 18). The voiceover, which is by the actress Anna Chancellor, tells consumers that with Deep Heat patches "You've got pain covered".

ASA – the UK's Advertising Standards Authority – has upheld three complaints about a television commercial for Nutricia's **Cow & Gate Complete Care Growing Up Milk**. It included the claim "Did you know that 8 out of 10 toddlers aren't getting enough iron?".

Marketing Campaigns

# Alaway campaign compares systemic pills with eye drops

Bausch & Lomb is backing its Alaway anti-histamine eye drops with the first national television advertising for the brand in the US since it was acquired in 2007.

A company spokesperson said the only other television campaign for Alaway had been a regional commercial that aired on The Weather Channel in 2008.

Focusing on "precious eyes", the new commercial informs consumers that they do not need to wait for systemic allergy medicines to take effect before they can get relief for itchy eyes. "It's not just your allergies, it's your eyes," is the sign-off message.

The commercial opens with shots of a number of women whose eyes start itching, accompanied by a voiceover stating "Your eyes: they smile, and sparkle, and itch".

The voiceover then advises consumers that "When allergies make your precious eyes itch, don't wait for your pills to kick in". "With over 150 years of eye health expertise, Alaway works in minutes and for up to 12 hours," the voiceover continues, "so trust the experts."

After applying the eye drops, the women appear refreshed and allergy-free.

Created by the agencies Grey NY and Ionic Media, the 30-second commercial, together with a cut-down 15-second version, is airing throughout September on broadcast and cable channels around news, talk and game shows, as well as soap operas. The company said the advertising had also been shown around programmes such as *America's Got Talent*, *Law and Order*, *Miss Universe* and *The Primetime Emmy Awards*.



Bausch & Lomb's first national television commercial for Alaway eye drops informs consumers that they do not need to wait for systemic allergy medicines to take effect before they can get relief for itchy eyes

Meanwhile, Bausch & Lomb is offering consumers US\$4.00 (€3.10) off a bottle of Alaway. To receive a printable coupon, consumers have to enter their details on the brand website at [www.alaway.com](http://www.alaway.com).

The firm is also backing the eye drops with point-of-sale material and doctor detailing.

Bausch & Lomb acquired Alaway – based on the active ingredient 0.025% ketotifen fumarate ophthalmic solution – when it bought the OTC allergy business of Alimera Sciences in 2007 (OTC bulletin, 25 January 2007, page 4).



"A modern, one-a-night formulation" is how Lanes Health describes a new traditional herbal medicinal product for sleep disturbances that is available under its Kalms brand in the UK.

The company said Kalms Night One-a-Night was "the new way to restore natural sleep patterns and wake feeling refreshed", because it provided a full 500g dose of valerian root extract in one tablet.

The company added that the newcomer complemented its existing Kalms Sleep product, which was aimed at people who wanted to control their own dose using a number of tablets.

Straiplines on the packaging of Kalms Night One-a-Night state that it is a "Traditional herbal medicinal product used for the temporary relief of sleep disturbances" that is "Based on traditional use only".

Suitable for adults aged 18 years and over, Kalms Night One-a-Night is supplied in packs of 21 tablets with a recommended retail price of £4.99 (€5.99).



Hemopharm has enlisted heavyweight boxing stars Vitali and Wladimir Klitschko to promote its EunoVa multivitamin brand in Germany.

The boxing brothers appear in consumer-press advertising in women's magazines including *Bild der Frau* and *Bunte*, as well as the German version of *Reader's Digest*.

Hemopharm said public-relations activity would target other consumer magazines, while an internet campaign at the brand website [www.eunova.de](http://www.eunova.de) includes a free 'app' to download.

Current trade-press advertising highlights the consumer campaign and features the Klitschko brothers beneath the headline "Ein unschlagbares Team!", or "An unbeatable team!".

Stada's Hemopharm paid GlaxoSmithKline €12.0 million for the EunoVa brand in November 2009. In 2008, sales of the multivitamin brand were €6.9 million.

**IN BRIEF**

■ **GLAXOSMITHKLINE** Consumer Healthcare is supporting its **Panadol** brand in the UK with a free podcast on pain for pharmacists and their staff. The company said the 10-minute podcast – which features "expert" interviews and case studies – would help pharmacy staff craft "an added-value consultation" with their customers. Created by the agency Hive Health, the podcast is supplied on a disposable MP3 player with separate headphone covers for different members of the pharmacy team to use. GlaxoSmithKline said the podcast was the first of a series of initiatives to support pharmacy in the pain category, based on the theme "It's the little difference that makes a big difference". The podcast is available upon request in a number of ways, including through trade-press advertising, direct-mailed reply-paid cards, the [www.mypharmassist.co.uk](http://www.mypharmassist.co.uk) website, or by calling 0800 783 3927.

*Line Extensions*

# Pfizer gives added fizz to its Advil brand in France

Effervescent tablets are Pfizer Santé Familiale's latest addition to its Advil range of ibuprofen-based analgesics in France.

The company said it would back new Advileff with television advertising starting in November. This would be supported by window displays in pharmacies throughout October and November, added Pfizer, noting that the medicine would be available in the 'free access' self-selection areas of pharmacies that were introduced two years ago in France.

Advileff tablets contain two types of granule. The active granules contain ibuprofen and an excipient that react together to produce an ibuprofen salt and potassium. The second type of granule contains citric acid and carbon dioxide, which together produce the effervescent effect when the tablets are added to water.

Citric acid was chosen, the company said, because it produced a flavour close to lemon, whilst also covering a broad range of flavours including grapefruit and orange. This helped



Pfizer is backing new Advileff in France with television advertising starting in November

to mask ibuprofen's bitter taste.

Advileff comes in a pack of 12 tablets, each containing 200mg ibuprofen. The retail price without tax is €2.41 per pack.

The Advil range in France includes 200mg and 400mg coated ibuprofen tablets sold under the AdvilTab name, as well as capsules in the same strengths called AdvilCaps. A combination cold remedy known as AdvilTab Rhume, which contains ibuprofen and pseudoephedrine, is also available.

OIC



McNeil Products has extended its Motilium 10 gastrointestinal medicine in the UK with a "fast melt" version.

Noting that Motilium Instants did not need to be taken with water, McNeil said the product had "an excellent format" for consumers who had difficulty swallowing tablets or who were experiencing nausea.

Motilium Instants has the same indications and active ingredient as Motilium 10, which is a pharmacy only medicine containing 10mg domperidone as maleate. Launched in 1998 (OTC bulletin, 23 January 1998, page 7), Motilium 10 is supplied as tablets that should be swallowed with water.

The indications of Motilium 10 now include relief of symptoms of nausea and vomiting of less than 48 hours duration (OTC bulletin, 10 February 2010, page 21).

Packs of Motilium Instants highlight that the pharmacy-only medicine comprises "instant melt tablets" that relieve "nausea & vomiting", "stomach discomfort" and "fullness & bloating".

Suitable for adults and children aged 16 years and over, the product comes in packs of 10 tablets with a retail price excluding VAT of £4.67 (€5.58). Consumers can take up to four tablets in 24 hours.

*Line Extensions*

# Neo-Angin offers spray in Germany

Klosterfrau has expanded its popular Neo-Angin sore-throat remedy in Germany with a cherry-flavoured throat spray.

The ethanol-based Neo-Angin Halsspray contains 145.8mg 2,4-dichlorobenzylalcohol, 29.2mg amylmetacresol and 8.7mg levomenthol per 10ml of spray.

A 30ml bottle of the pharmacy-only throat spray – which is indicated for treating throat infections in adults and children aged above two years – has a recommended retail selling price of €8.10.

**Packaging is predominantly green**

Predominantly green packaging features two red dots which hint at the existing products in the Neo-Angin range. These are standard and sugar-free lozenges which, like the spray, contain 2,4-dichlorobenzylalcohol, amylmetacresol and levomenthol.

OIC

# OTC Marketing Awards

Recognising the achievements of the British OTC industry

Gala Dinner & Awards Presentation

Park Lane Hotel, Piccadilly, London

Thursday, 10th March 2011

Take Centre Stage  
at the Awards that  
Really Matter

Visit the Awards website at  
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OTC Marketing Awards 2011

# OTC Marketing Awards has two public relations options

For the third year in a row, *OTC bulletin's* OTC Marketing Awards include two Awards for public relations campaigns. One is open to campaigns for medicines, while the other is aimed at initiatives for non-medicines.

A variety of companies have triumphed in the two public relations categories. Earlier this year, GlaxoSmithKline Consumer Healthcare's launch activity for its Alli weight-loss medicine – developed by the agency Virgo Health – picked up the Award for Best OTC Public Relations Campaign for a Medicine. Meanwhile, Lloydspharmacy's Online Doctor initiative – dreamed up by the agency Citigate Dewe Rogerson – captured the Award for Best OTC Public Relations Campaign for a Non-Medicine.

Lloydspharmacy and Citigate Dewe Rogerson also snapped up the Award for Best OTC Public Relations Campaign for a Non-Medicine a year earlier, thanks to the Lloydspharmacy Heart Healthcheck initiative. The Award for Best OTC Public Relations Campaign for a Medicine went to Thornton & Ross for its work on the Hedrin head-lice remedy. The campaign was devised by the agency Pegasus.

Companies of all sizes – from the biggest down to the smallest – have the opportunity to win one of *OTC bulletin's* prestigious OTC Marketing Awards 2011.

Nineteen categories cover a wide range of

disciplines in the OTC industry, including internet advertising, out-of-home advertising, trade advertising, pharmacy training, public relations initiatives and packaging design. And retailers could win the Award for Best OTC Multiple Retailer of the Year.

It's time to start preparing your entries. Our entry deadline of 3 December 2010 probably seems a long way ahead, but you need to start thinking about turning your latest campaign into a prestigious Award winner.

The winners will be announced at a Gala Dinner & Awards Presentation on Thursday, 10 March 2011 at London's Park Lane Hotel.

*OTC bulletin* is pleased to announce that the OTC Marketing Awards 2011 will be jointly co-hosted this year by IMS Consumer Health and SymphonyIRI Group.

Many thanks also go to our Award sponsors – Euro RSCG Life, the Company Chemists' Association, Spink, Pegasus, Tena, SourceOTC, Bounty & Bounty Health Network, Doctors.net.uk and Mash Health.

■ Find out how to enter, attend or sponsor the OTC Marketing Awards 2011 by contacting Jenna Lawrence or Val Davis at *OTC bulletin* (Tel: +44 1564 777550; Fax: +44 1564 777524; E-mail: jenna.lawrence@otc-bulletin.com or val.davis@otc-bulletin.com). Or visit the Awards website at [www.otc-bulletin.com/awards](http://www.otc-bulletin.com/awards).

**The OTC Marketing Awards 2011:**

**OTC Company of the Year**  
Sponsored by IMS Consumer Health and SymphonyIRI Group

**OTC Brand of the Year**  
Sponsored by Euro RSCG Life

**OTC Launch of the Year**  
Sponsored by Tena

**OTC Brand Revitalisation of the Year**  
Sponsored by Spink

**Most Innovative New OTC Product**

**Best OTC Marketing Campaign on a Big Budget**

**Best OTC Marketing Campaign on a Small Budget**  
Sponsored by Bounty & Bounty Health Network

**Best OTC Consumer Advertising on Television**  
Sponsored by Pegasus

**Best OTC Consumer Advertising in the Press**

**Best OTC Consumer Advertising Out-of-Home**

**Best OTC Consumer Advertising on the Internet**

**Best OTC Public Relations Campaign for a Medicine**

**Best OTC Public Relations Campaign for a Non-Medicine**

**Best New OTC Packaging Design**

**Best OTC Trade & Professional Advertising**  
Sponsored by Doctors.net.uk

**Best OTC Pharmacy Training**  
Sponsored by Mash Health

**Best OTC Pharmacy Support Package**  
Sponsored by the Company Chemists' Association

**Best OTC Pharmacy Salesforce**  
Sponsored by IMS Consumer Health

**Best OTC Performer Outside Pharmacy**  
Sponsored by SymphonyIRI Group

**Best OTC Multiple Retailer of the Year**  
Sponsored by the Company Chemists' Association and *OTC bulletin*

Visit the Awards website at [www.otc-bulletin.com/awards](http://www.otc-bulletin.com/awards)

Marketing Campaigns

## Reckitt pushes Strepsils Warm in the UK

Reckitt Benckiser is backing its new Strepsils Warm sore-throat lozenges in the UK this winter with a television and radio advertising campaign.

The company said the advertising, which will run from October until March, was part of a wider £4.0 million (€4.8 million) plus multimedia marketing support campaign for the Strepsils brand.

Positioned as “The first ever warming sensation sore-throat lozenge”, Strepsils Warm has an on-pack claim of “Soothing, effective relief for sore throats”.

Reckitt Benckiser is launching Strepsils Warm, which is claimed to produce the same warming feeling as that delivered by a hot drink, in a number of European countries including Germany and the UK this autumn. The lozenges contain extracts of ginger and wasabi as non-active ingredients, as well as 1.2mg 2,4-dichlorobenzyl alcohol and 0.6mg amylmeta-cresol as active ingredients (*OTC bulletin*, 30 July 2010, page 17).

In the UK, Strepsils Warm is available in packs of 16 or 36 lozenges with recommended retail selling prices of £2.99 and £4.49 re-

spectively. The lozenges also come in a handy tube of 10 priced £1.99.

Reckitt Benckiser is also supporting the Strepsils portfolio – which has been repackaged with a “modern” new look – with online and outdoor advertising, a public relations campaign, in-store activity, and point-of-sale items.

In addition, Reckitt Benckiser is pushing its pharmacy-only (P) medicines for sore throats such as Strefen and Dequa – that “may be less well known” to consumers – with its first online advertising campaign for the brands.

The company is also revamping the Strepsils website at [www.strepsils.com](http://www.strepsils.com) to include these products in a special pharmacy-only medicines section.



"The most potent probiotic capsule on the market" is BioCare's claim for the latest addition to its portfolio of food supplements in the UK.

BioCare said that Bio-Acidophilus Forte Plus, which is claimed to have immune-supporting properties, set "a new standard in probiotics" by providing an "incredible" 75 billion friendly bacteria in one capsule.

The supplement contains *Lactobacillus salivarius* and the company's "unique" LAB<sup>4</sup> complex. The complex comprises two strains of *Lactobacillus acidophilus*, together with *Bifidobacterium bifidum* and *Bifidobacterium lactis*.

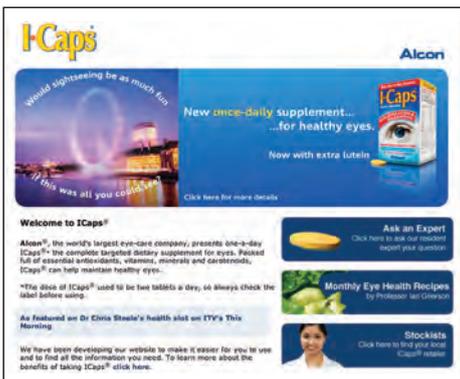
BioCare noted that Bio-Acidophilus Forte Plus was safe, effective, had a long shelf life, and did not contain dairy products.

Packaging highlights that the food supplement is a "Professional potency probiotic" containing "75 billion viable organisms per capsule".

BioCare, which is part of NeutraHealth, is backing the launch with trade-press advertising in publications including *CAM*, *HFB* and *Natural Products*, as well as presence at trade shows and public relations activity.

Suitable for adults and children aged 16 years and over, the food supplement is supplied as a bottle of 30 capsules with a recommended retail selling price of £54.95 (€64.95). Consumers should take one capsule a day.

OTC



Alcon has updated the website for its ICaps brand in the UK following the recent relaunch of the food supplement for maintaining healthy eyes.

The company said the website provided information on the new formula as well as nutrition and the eye. In addition, it featured a "clever" "Ask the Expert" function, which offered advice from a research optometrist, said the company.

Available at [www.icapsinfo.co.uk](http://www.icapsinfo.co.uk), the website also provides tips on maintaining healthy eyes and a stockist search tool.

Alcon relaunched ICaps in May as a once-daily formulation with extra lutein and zeaxanthin (OTC bulletin, 31 May 2010, page 19).

OTC

Line Extensions/Marketing Campaigns

# Novartis gives Otrivine television debut in UK

Novartis Consumer Health is supporting its Otrivine range of nasal decongestants with the first-ever television advertising campaign for the brand in the UK.

The move coincides with the launch of a metered-dose spray version of Otrivine that ensures consumers receive "the correct dose".

Packaging for new Otrivine Adult Metered Dose 0.1% Nasal Spray highlights that the product, which contains the active ingredient xylo-metazoline hydrochloride, "Works in minutes" and "Lasts up to 10 hours".

Supplied in a "convenient" 10ml bottle, Otrivine Adult Metered Dose 0.1% Nasal Spray has a recommended retail selling price of £2.99 (€3.55). The general-sales list medicine, which is suitable for adults and children aged 12 years and over, can be used up to three times a day.

A spokesperson for Novartis said that both the spray and the television commercial had been launched across Europe.

In the UK, Novartis is investing £1 million in the television campaign, which has the theme "The pleasure of breathing".

Created by the agency Saatchi & Saatchi, the commercial is based around a man suffering from nasal congestion, who eats breakfast with his family and goes to work. After using Otrivine, his symptoms are relieved and he attends a football match.

A voiceover reassures consumers that "Otrivine quickly unblocks your nose, preventing dryness and irritation to restore your full breathing capacity and energise your whole body".

The commercial ends with a pack of Otrivine accompanied by the taglines "Fast acting",



Novartis Consumer Health has extended Otrivine in the UK with a metered-dose nasal spray



Television advertising for Otrivine is based around the theme "The pleasure of breathing"

"Long lasting", and "Moisturising". "Otrivine. The pleasure of breathing," says the voiceover.

The commercial will be aired on terrestrial and satellite television channels, including ITV, Channel 4, Five and Sky from 18 October until December.

Novartis is also backing Otrivine with a public relations campaign and in-store activity.

OTC



A mint-flavoured gel for adults is the latest addition to Bausch & Lomb Laboratoire Chauvin's BloXaphte mouth-ulcer treatments in France.

One strapline on the packaging of BloXaphte Gel Adulte boasts that the barrier effect of the product rapidly reduces pain. Others highlight that the gel is free of alcohol and sugar.

BloXaphte Gel Adulte is supplied in a 10ml tube of gel containing 240mg hyaluronic acid per 100g. The recommended retail selling price is between €7.00 and €9.00.

The gel should be used two or three times a day after meals, for a week or until symptoms disappear.

The BloXaphte range already offers a bubble-gum flavoured gel for children at the same strength, as well as a 100ml bottle of mouthwash and a 15ml spray for adults.

OTC

## OCTOBER

12-13 October

- **Regulatory Affairs in Asia**

Cologne, Germany

A two-day event covering pharmaceutical regulatory affairs in Asia.

**Contact:** Henriette Wolf-Klein, Forum Institut für Management.

Tel: +49 6221 500 680.

Fax: +49 6221 500 555.

E-mail: h.wolf-klein@forum-institut.de.

Website: www.forum-institut.de.

18-19 October

- **Bridging the Regulatory Gap Between Australia/New Zealand and Europe**

London, UK

The pharmaceutical industry and regulatory environment in Australia and New Zealand will be discussed at this two-day seminar.

**Contact:** Management Forum.

Tel: +44 1483 730071.

Fax: +44 1483 730008.

E-mail: registrations@management-forum.co.uk.

Website: www.management-forum.co.uk.

19 &amp; 20-21 October

- **Pharmaceutical Labelling and Packaging**

London, UK

A pre-conference workshop entitled 'Written information provision beyond the European Union: spotlight on the Americas' will accompany this two-day meeting.

**Contact:** Informa UK.

Tel: +44 20 7017 7481.

Fax: +44 20 7017 7823.

E-mail: registrations@informa-ls.com.

Website: www.informa-ls.com.

21-22 October

- **The 1x1 on the OTC Market**

Düsseldorf, Germany

Rabea Steffen of Johnson &amp; Johnson will speak at this two-day conference, conducted in German.

**Contact:** Michaela Gottwald, Forum Institut für Management.

Tel: +49 6221 500 610.

Fax: +49 6221 500 555.

E-mail: m.gottwald@forum-institut.de.

Website: www.forum-institut.de.

25-26 &amp; 27 October

- **Nutraceuticals and Functional Foods**

London, UK

Topics for discussion at this two-day conference include global per-

26-27 October

- **How Can Non-Prescription Medicines Best Contribute to Public Health?**

Antwerp, Belgium

Speakers at this two-day conference – organised by the Association of the European Self-Medication Industry, the AESGP – include: Xavier de Cuyper of the Belgian Federal Agency for Medicines and Health Products; Dagmar Roth-Behrendt of the European Parliament; Eric Abadie of the Committee for Medicinal Products for Human use (CHMP); Noël Wathion of the European Medicines Agency (EMA); and Kent Woods of the UK Medicines and Healthcare products Regulatory Agency (MHRA).

**Contact:** Association of the European Self-Medication Industry, the AESGP.

Tel: +32 2 735 51 30. Fax: +32 2 735 52 22.

E-mail: l.gits@aesgp.be. Website: www.aesgp.be.

spectives, functional foods, marketing opportunities, nutrition and health claims, and probiotics. The meeting will be followed by a half-day workshop on 'Protecting product innovation'.

**Contact:** Samantha Graves, SMI Group.

Tel: +44 20 7827 6052.

Fax: +44 87 0909 0712.

E-mail: sgraves@smi-group.co.uk.

Website: www.smi-online.co.uk.

## NOVEMBER

2 November

- **Hot Topics in Advertising**

London, UK

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

**Contact:** MHRA.

Tel: +44 20 7084 2903.

Fax: +44 20 7084 3522.

E-mail: conferences@mhra.gsi.gov.uk.

Website: www.mhra.gov.uk.

8-9 November

- **EuroPLX 44**

Barcelona, Spain

A two-day partnering and licensing forum focusing on OTC medicines, nutraceuticals, branded prescription drugs and generics.

**Contact:** RauCon.

Tel: +49 6222 9807 0.

Fax: +49 6222 9807 77.

E-mail: meetyou@europlx.com.

Website: www.raucon.com.

5-8 November

- **8th WSMI Asia-Pacific Regional Conference**

Chinese Taipei

'The changing landscape of self-medication' is the theme of the 8th World Self-Medication Industry (WSMI) Asia-Pacific Regional Conference to be held in Chinese Taipei.

The four-day meeting will review the global and regional regulatory trends and developments in self-medication, with a focus on switching, new indications and market opportunities.

**Contact:** 2010 WSMI Secretariat.

Tel: +886 2 8226 1010. E-mail: 2010wsmi.tw@gmail.com.

Website: www.2010wsmi-taiwan.org.

8-10 November

- **Pharmaceutical Regulatory Affairs in Latin America**

London, UK

Arturo González-Martínez, Glaxo-SmithKline's director of regulatory affairs for Mexico, will chair this three-day meeting.

**Contact:** Management Forum.

Tel: +44 1483 730071.

Fax: +44 1483 730008.

E-mail: registrations@management-forum.co.uk.

Website: www.management-forum.co.uk.

18 November

- **ASMI Conference**

Sydney, Australia

'Bringing self-care to life' is the theme of this one-day conference, organised by the Australian Self-Medication Industry (ASMI).

**Contact:** ASMI.

Tel: +61 2 9922 5111.

Fax: +61 2 9959 3693.

E-mail: conference2010@asmi.com.au.

Website: www.asmi.com.au.

22 &amp; 23-24 November

- **Regulatory Affairs in Emerging Economies**

London, UK

A pre-conference workshop entitled 'Emergence of Mexico, Argentina, Turkey and the Middle East: practical regulatory advice' will

accompany this two-day event.

**Contact:** Informa UK.

Tel: +44 20 7017 7481.

Fax: +44 20 7017 7823.

E-mail: registrations@informa-ls.com

Website: www.informa-ls.com.

24 November

- **Basics of Regulatory Affairs**

Brussels, Belgium

A one-day course from The Organisation for Professionals in Regulatory Affairs (TOPRA).

**Contact:** TOPRA.

Tel: +44 20 7510 2560.

Fax: +44 20 7537 2003.

E-mail: meetings@topra.org.

Website: www.topra.org.

## DECEMBER

2 December

- **Marketing Authorisation in Latin America**

Düsseldorf, Germany

A one-day event looking at Argentina, Brazil, Chile, Colombia, Mexico and Peru.

**Contact:** Henriette Wolf-Klein,

Forum Institut für Management.

Tel: +49 6221 500 680.

Fax: +49 6221 500 555.

E-mail: h.wolf-klein@forum-institut.de.

Website: www.forum-institut.com.

6-7 December

- **EMA/TOPRA Joint Review of the Year and Look to the Future**

London, UK

This two-day conference is organised by the European Medicines Agency (EMA) and The Organisation for Professionals in Regulatory Affairs (TOPRA).

**Contact:** TOPRA.

Tel: +44 20 7510 2560.

Fax: +44 20 7537 2003.

E-mail: meetings@topra.org.

Website: www.topra.org.

## FEBRUARY 2011

1-2 February

- **AESGP Conference**

Brussels, Belgium

Regulation of food supplements and herbal medicinal products will be discussed at this two-day event, organised by the Association of the European Self-Medication Industry, the AESGP.

**Contact:** AESGP.

Tel: +32 2 735 51 30.

Fax: +32 2 735 52 22.

E-mail: l.gits@aesgp.be.

Website: www.aesgp.be.

# Internet pharmacies should not be ignored

*Sales of non-prescription products through internet and mail-order pharmacies are gaining momentum in Europe, according to a new report from James Dudley Management. Deborah Wilkes reports.*

Ignoring internet and mail-order pharmacies is no longer a viable option for Europe's leading OTC players, according to a report just published by James Dudley Management. "Marketers of non-prescription medicines must decide whether they intend to resist internet and mail-order pharmacies or capitalise on the opportunities offered by this evolving distribution channel," insists the Dudley report, which also warns companies "not to miss the boat".

The Dudley report forecasts that Europe's internet and mail-order pharmacies will achieve sales of approximately €2.0 billion at retail selling prices in 2010. The lion's share of this figure will be generated in Germany, notes the report, but the Netherlands, Poland, Switzerland and the UK will also make significant

contributions to the total amount.

Highlighting the potential of internet and mail-order pharmacies for selling individual OTC brands, the Dudley report draws attention to the fact that they generated around a third of the sales of GlaxoSmithKline Consumer Healthcare's Alli in Germany during the first year after the launch of the pharmacy-only (P) medicine. Germany was one of the first countries in Europe to see the launch of the weight-loss medicine – based on the active ingredient orlistat – after it gained a non-prescription licence from the European Commission (*OTC bulletin*, 30 April 2009, page 22).

In the UK, meanwhile, GlaxoSmithKline is currently backing Alli with a substantial internet advertising campaign. Visitors to the brand website at [www.alli.co.uk](http://www.alli.co.uk) are informed that they



**Internet and mail-order pharmacies only generate a relatively small proportion of consumer purchases of medicines, related healthcare products and personal-care lines in Europe, but the distribution channel should not be underestimated, says OTC marketing strategist James Dudley**

can buy Alli online from websites run by the Boots and Lloydspharmacy pharmacy chains. Both retailers are offering big price reductions on Alli purchases online.

The Dudley report points out that licensed and unlicensed products aimed at slimmers are some of the biggest sellers through internet and mail-order pharmacies in Europe. The Celebrity Slim weight-management programme, for instance, is selling well in the UK, where it is available online from the Rowlands Pharmacy and Superdrug websites. And in Germany, Biomedica's Formoline slimming aid is one of the top 10 best-selling brands through internet and mail-order pharmacies.

Other important product categories for internet and mail-order pharmacies, according to the Dudley report, are circulatory products, tonics, nicotine-replacement therapy products (NRT) and pain relief.

## GlaxoSmithKline goes direct

The importance of internet and mail-order pharmacies was highlighted this month by GlaxoSmithKline Consumer Healthcare's decision to start selling a number of its brands directly to consumers in the UK through a new website. The company is positioning GSK Direct, which is located at [www.gskdirect.co.uk](http://www.gskdirect.co.uk), as "the new online store for all your healthcare needs" (see page 15).

Paul Gurnell, the company's e-commerce controller, remarked that GSK Direct would help GlaxoSmithKline Consumer Healthcare gain a better understanding of the differences between store and online shopper behaviour, as well as test how various environments and structures will encourage consumers to engage with its brands online.

A registered pharmacy, the GSK Direct web-

Country	Internet commerce for non-prescription medicines	Internet commerce for prescription-only medicines	Pharmacy home pages
Austria	No*	No	Yes
Belgium	Yes	No	Yes
Czech Republic	Yes	Yes	Yes
Denmark	Yes	Yes	Yes
Finland	No	Yes**	Yes
France	No	No	Yes
Germany	Yes	Yes	Yes
Hungary	Yes	No	Yes
Italy	No	No	Yes
The Netherlands	Yes	Yes	Yes
Norway	Yes	Yes**	Yes
Poland	Yes	Yes***	Yes
Slovakia	Yes	No	Yes
Spain	Yes	No	Yes
Sweden	Yes	Yes	Yes
Switzerland	Yes****	Yes*****	Yes
UK	Yes	Yes	Yes
US	Yes	Yes	Yes
Canada	Yes	Yes	Yes

\* Restricted access to internet and mail order from European Union member states but banned internally  
 \*\* Permitted for pharmacies only as a means of delivery to remote rural areas (not exploited commercially)  
 \*\*\* Home delivery restrictions exist  
 \*\*\*\* Prescription required  
 \*\*\*\*\* Strict conditions covering medical support and supervision for home delivery

**Figure 1: Rules on internet commerce for medicines in selected countries (Source – James Dudley Management)**

site is initially offering a selection of general-sales list (GSL) medicines and personal-care brands, including Aquafresh, Beechams, Biotène, Breathe Right, Corsodyl, Macleans, NiQuitin, Panadol, Piriteze, Poligrup and Sensodyne. GlaxoSmithKline said a number of P medicines, including Alli, would be added to the website later this year.

**Common for food supplements**

Although it is common for marketers of food supplements to sell products directly to consumers through their own websites, it is unusual for makers of non-prescription medicines. Websites for non-prescription medicines generally direct potential buyers to websites run by retailers.

Asked whether GlaxoSmithKline Consumer Healthcare intended to launch GSK Direct in other countries, a company spokesperson said there were no immediate plans.

“Internet and mail-order pharmacies have developed steadily in Europe since MediService, which is owned by Galenica, first appeared in Switzerland in the mid-1990s,” observes the author of the report, James Dudley.

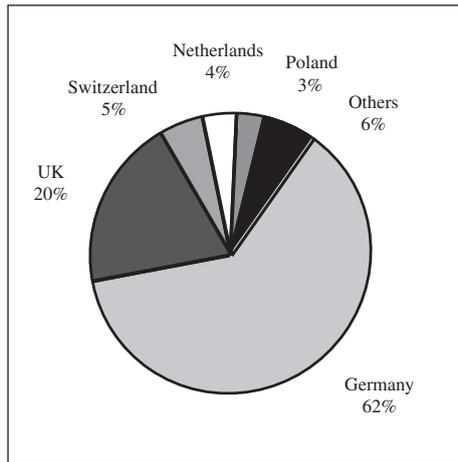
The first “pureplay” internet pharmacies, such as Pharmacy2U, emerged in the UK in 1999 (*OTC bulletin*, 30 November 1999, page 6), he adds, noting that it took the “entrepreneurial vision and sheer determination” of the Dutch mail-order company DocMorris to open up the German internet-pharmacy market with a landmark ruling by the European Court of Justice (ECJ) in 2003.

The ECJ ruled that a national ban on the sale of medicines by distance-selling methods was a restriction on the free movement of goods. It added that a ban on distance-selling of non-prescription medicines could not be justified, but a ban for prescription-only medicines could be justified on public safety grounds (*OTC bulletin*, 23 January 2004, page 9).

According to the Dudley report, the ECJ’s ruling in favour of DocMorris brought about “a profound change” in government attitudes towards distance selling of medicines across the region. That said, the report notes that Europe is still, to a certain extent, divided on the issue of distance-selling of medicines, particularly prescription-only medicines.

Of the 17 European countries covered by the Dudley report, only 13 allow internet and mail-order trade for non-prescription medicines and 10 for prescription-only medicines (see Figure 1). Of these, Poland and Switzerland have restrictions on home delivery.

One consequence of the differing attitudes of regulators across Europe to internet pharmacies, according to the Dudley report, has been the “massive growth of unregulated, ille-



**Figure 2: Forecasted sales for internet and mail-order pharmacies in Europe in 2010 – around €2.0 billion at retail selling prices – broken down by country (Source – James Dudley Management)**

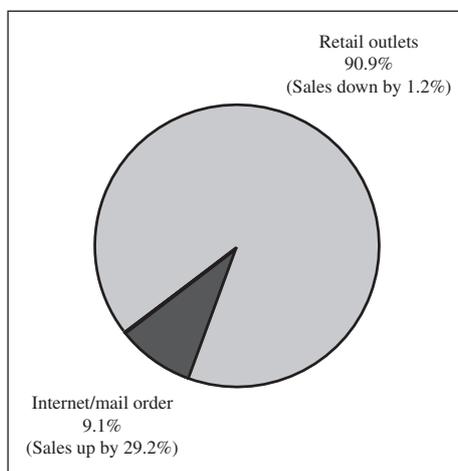
gal and fraudulent organisations using the internet to target consumers”.

The Dudley report forecasts that Europe’s internet and mail-order pharmacies will achieve sales of around €2.0 billion at retail selling prices in 2010. In addition to non-prescription medicines, this figure includes sales of prescription-only medicines, personal-care lines, patient-care products, nutrition products and some food supplements.

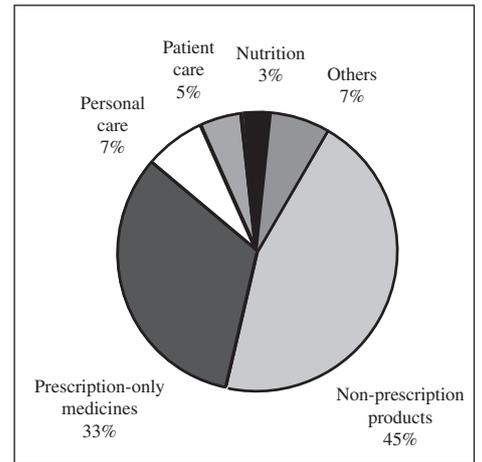
**Germany leads the way in Europe**

Germany is by far the largest market in Europe with 62% of sales, says the Dudley report, followed by the UK with 20%, Switzerland with 5%, the Netherlands with 4% and Poland with 3% (see Figure 2). “France, Italy and Spain are laggards in terms of regulation, entrepreneurial drive and consumer participation,” maintains Dudley.

Within Germany, sales of non-prescription products – non-prescription medicines and selected unlicensed products – are expected to ac-



**Figure 4: Sales of non-prescription products in Germany in 2009 by value at retail selling prices, broken down by distribution channel (Source – IMS Consumer Health’s Pharmatrend)**



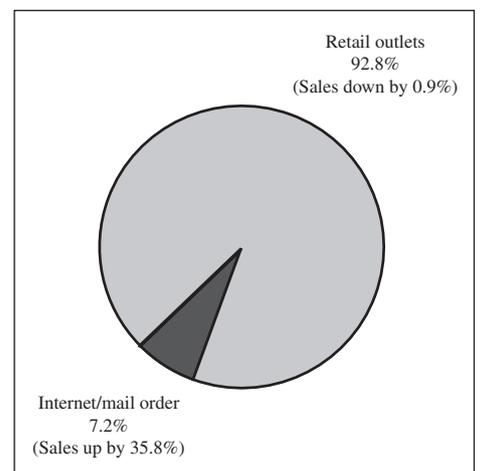
**Figure 3: Forecasted sales for internet and mail-order pharmacies in Germany in 2010 – just over €1.2 billion at retail selling prices – broken down by product segment (Source – Sempora)**

count for around 45% of all turnover through internet and mail-order pharmacies in 2010. Prescription-only medicines will be the second-largest segment of the market, accounting for 33% of sales (see Figure 3).

The high proportion of non-prescription sales through German internet and mail-order pharmacies has been achieved after some rapid rises in recent years. According to data from market researcher IMS Consumer Health, value sales grew by 29.2% to €622 million at retail selling prices in 2009, accounting for 9.1% of Germany’s non-prescription market (see Figure 4). This compared with a sales decline of 1.2% in traditional pharmacy stores. A similar picture was seen for volume sales in Germany (see Figure 5).

The Dudley report identifies five main retail models for the distribution of non-prescription medicines and associated healthcare products on the internet:

- ‘Pureplay’ internet pharmacies
- Internet consultation pharmacies



**Figure 5: Sales of non-prescription products in Germany in 2009 by volume, broken down by distribution channel (Source – IMS Consumer Health’s Pharmatrend)**

■ Portal-driven pharmacy co-operatives and chains

■ Pharmacy chains with internet services – ‘clicks and bricks’

■ Internet ordering for collection from non-pharmacy pick-up points, particularly in Germany

In addition to these five main models, says the report, general retailers offer internet home-delivery services, while internet mail-order grocery businesses provide limited ranges of medicines as an extension to their existing offer.

According to the Dudley report, Europe’s top ‘pureplay’ internet and mail-order pharmacies will have combined sales of €1.3 billion in 2010, of which just over 90% will be generated in Germany.

As can be seen from Figure 6, the largest ‘pureplay’ business is DocMorris. Serving the German market from the Netherlands, it achieved sales of around €250 million in 2009. DocMorris was acquired by the pan-European wholesaler and retailer Celesio in 2007 (*OTC bulletin*, 30 April 2007, page 1).

The second-largest ‘pureplay’ operator, Sanicare, also serves the German market and has estimated sales of €197 million.

In third place is the Dutch-based business Europa-Apotheek, which has estimated sales in the German market of €155 million. It is owned by US pharmacy benefit manager Medco.

Vitalsana, EU-Versandapotheke and Apotal.de – in fourth, fifth and sixth place – also all focus on the German market.

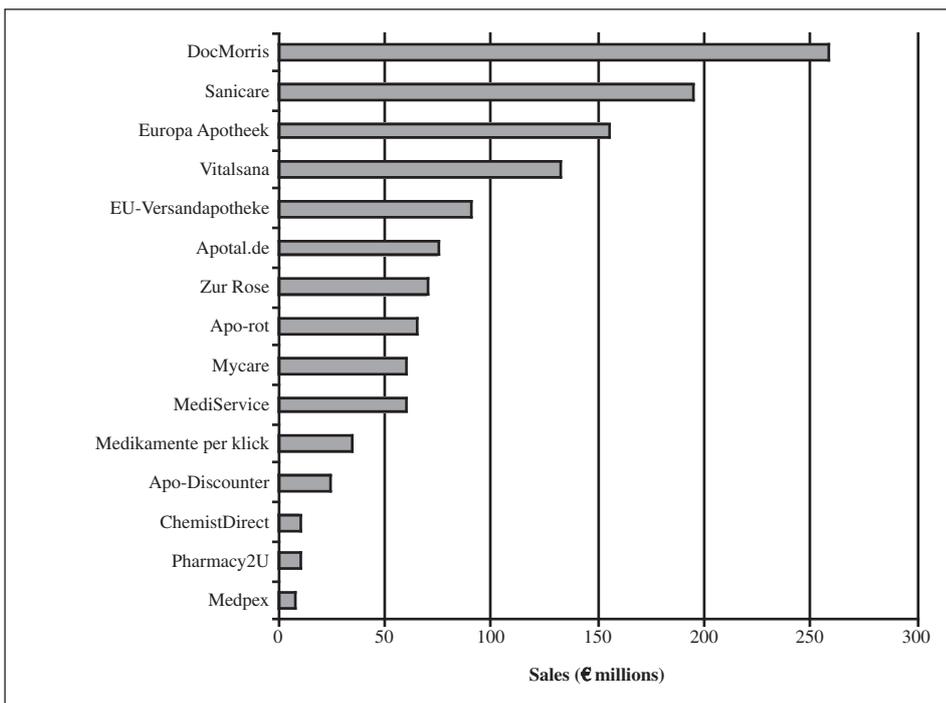
**Swiss-based groups**

Zur Rose and MediService – in seventh and tenth place respectively – are both Swiss-based “dispatch” pharmacies. Zur Rose has set up operations in Germany as well as Switzerland, while MediService focuses on Switzerland.

Lower down the rankings, Pharmacy2U and ChemistDirect focus on the UK; while around 150 internet and mail-order pharmacies have emerged in Poland, including Cefarm24, since a change in the law in 2007.

Moving on to internet physician-consultation pharmacies, the Dudley report notes these are prevalent in the US and are found in the UK, Switzerland and the Netherlands.

Portal-driven pharmacy co-operatives and chains are common, says the report, but the



**Figure 6: Europe's leading ‘pureplay’ internet and mail-order pharmacies ranked according to estimated turnover at retail selling prices in 2009 (Source – James Dudley Management)**

most ambitious network in central and eastern Europe is Doz.pl run by Polska Grupa Farmaceutyczna (PGF). It utilises the approximately 2,000 Apteki Dbam o Zdrowie affiliates to provide the delivery service for both non-prescription and prescription medicines.

“Pharmacy chains with online services – ‘clicks and bricks’ operations – are particularly important in the UK market,” comments Dudley, noting that Boots, Celesio’s Lloydspharmacy and Phoenix’ Rowlands Pharmacy all have substantial internet pharmacies. He adds that www.boots.com is the largest online pharmacy in the UK, with around 1.4 million visitors per month.

Internet ordering for collection in non-pharmacy outlets is a peculiarly German model, observes the report. Leading drugstore chains, which are not permitted to own pharmacies, have linked up with internet and mail-order pharmacies to provide a collection service for prescription and non-prescription medicines. However, notes the report, Germany’s latest coalition government has committed to ban the pick-up points (*OTC bulletin*, 16 April 2010, page 9).

“Internet and mail-order pharmacies still only represent a relatively small proportion of consumer purchases of medicines, related health-care products and personal-care lines in Europe,” Dudley acknowledges. “But the channel should not be underestimated.”

Specific target audiences – such as people suffering from embarrassing conditions who want privacy, people seeking discounts or older people with chronic conditions – can be reached through internet and mail-order pharmacies, points out Dudley, urging marketers of non-prescription medicines to analyse the opportunities on a “brand-by-brand basis”.

In line with Dudley’s comments, DocMorris announced last week that it was teaming up with the Klingel Group to create a mail-order pharmacy aimed at people over the age of 50 years in Germany and the Netherlands (see front cover of this issue).

■ For further information about the report entitled ‘Mail order and internet pharmacy in Europe – embracing the new challenge’ contact James Dudley Management (Tel: +44 1562 747705; E-mail: information@jamesdudley.co.uk; Website: www.jamesdudley.info).

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Retailers/Wholesalers

## Lonsert rises up to Celesio board

Pan-European retailer and wholesaler Celesio has expanded its management board by promoting **Michael Lonsert**.

With effect from 1 October, Lonsert will be the board member responsible for Celesio's Manufacturer Solutions division as well as its joint venture Medco Celesio.

He joined Celesio two years ago as head of the German company's newly-formed Manufacturer Solutions division, which mainly comprises the logistics provider Movianto and the marketing services provider Pharmexx.

At the time, Celesio said the Manufacturer Solutions division and a new Global Strategic



Michael Lonsert

Marketing and Business Innovation unit would respond to changes in the pharmaceutical market that had seen manufacturers "increasingly demand tailor-made solutions for the distribution and marketing of the drugs they produce" (*OTC bulletin*, 12 September 2008, page 23).

Celesio noted that in his new role, Lonsert would be responsible for developing new and innovative businesses such as Medco Celesio.

Unveiled in June, Medco Celesio is a 50/50 joint venture with the US-based pharmacy benefit manager Medco Health Solutions. Starting in Germany, Medco Celesio will focus on providing integrated pharmacy solutions to improve care for patients with chronic and complex health conditions such as asthma, diabetes, high cholesterol and heart disease. The plan is to roll it out into as many as 27 European Union member states plus Norway and Switzerland (*OTC bulletin*, 30 June 2010, page 5).

**Brian Griffin** of Medco has been appointed chief executive officer of Medco Celesio, with **Thorsten Beer** of Celesio named chief financial officer.

Manufacturers

## Goggins to step down at J&J's Consumer division

**Colleen Goggins** will step down as worldwide chairman of Johnson & Johnson's troubled Consumer division on 1 March 2011.

The announcement of Goggins' retirement comes shortly after Johnson & Johnson revealed plans to implement a manufacturing, quality and compliance framework, which was drawn up in the wake of the product recall woes at the McNeil Consumer Healthcare subsidiary (*OTC bulletin*, 10 September 2010, page 31).

William Weldon, Johnson & Johnson's chairman and chief executive officer, said that the succession plans for what he described as a "critical position" would be announced in a timely manner.

Weldon stressed that Goggins, 56, had had a "successful and distinguished" career with Johnson & Johnson spanning almost 30 years.

Goggins will leave Johnson & Johnson just over a year after the company received a Warning Letter from the US Food and Drug Administration (FDA) about its OTC plant in Las Piedras, Puerto Rico (*OTC bulletin*, 10 February 2010, page 22).

Johnson & Johnson voluntarily recalled a number of OTC brands manufactured at Las Piedras due to complaints of an "unusual mouldy, musty or mildew-like odour that, in a small

number of cases, was associated with temporary and non-serious gastrointestinal events".

The recall was extended in June (*OTC bulletin*, 30 June 2010, page 12) and again in July.

In May, McNeil announced it had suspended production at its Fort Washington facility after voluntarily recalling over 40 OTC medicines for infants and children made at the plant (*OTC bulletin*, 14 May 2010, page 1).

The recall sparked an investigation by the Committee on Oversight and Government Reform within the US House of Representatives. Goggins told the committee hearing that the recall was a "disappointment" and that McNeil's quality and process issues had been "unacceptable" (*OTC bulletin*, 11 June 2010, page 11). She also apologised to parents for the "concern and inconvenience caused".

In July, Johnson & Johnson said that production at Fort Washington was unlikely to resume until the latter half of 2011, and admitted that it did not expect to have alternative supply for most products manufactured at the plant before the end of this year (*OTC bulletin*, 30 July 2010, page 4).

As a result, US sales at the firm's OTC & Nutritionals business are expected to decline by US\$600 million (€457 million) in 2010.

OTC

Manufacturers

## Tahiri leads Pfizer's Canadian business

Pfizer has appointed **Faissal Tahiri** as general manager of its Consumer Healthcare business in Canada.

He takes over from **Suneet Varma**, who has been made regional president, Asia-Pacific for Pfizer Consumer Healthcare.

Tahiri had been with Wyeth for about eight years before it became part of Pfizer (*OTC bulletin*, 30 October 2009, page 3).

Most recently, he was director of vaccines and export operations at Wyeth Pharmaceuticals in France. His previous positions included president of Wyeth Consumer Healthcare in France, and country manager of Wyeth Consumer Healthcare in Portugal.

Prior to joining Wyeth, Tahiri worked for Merck & Co and Colgate.

Todd Magazine, president of Pfizer Con-



Faissal Tahiri

sumer Healthcare in North America, said Pfizer Consumer Healthcare Canada was a key focus for the company.

OTC

## Regulatory Agencies

## Keller leaves HMPC chair

**Konstantin Keller** will step down as chairperson of the European Union's Committee for Herbal Medicinal Products (HMPC) in November of this year.

Keller has headed the European Medicines Agency's (EMA's) work on herbal medicinal products since June 1997, and has chaired the HMPC since it was created in September 2004.

A new chair will be elected in November.

OIC

### IN BRIEF

■ **BAUSCH & LOMB** has named **Daniel Wechsler** as corporate vice-president and global president of its Pharmaceuticals business. He takes over from the company's chief executive officer, Brent Saunders, who has been acting as interim global president of the business. Most recently, Wechsler was head of US strategy, commercial model innovation and business development at Merck & Co. He has also held senior management positions at Schering-Plough and Pfizer.

■ **ZEAVISION** has appointed **Chris Barber** as president and executive board member. He steps up from his previous role as vice-president, sales and marketing. Meanwhile, the US-based nutraceutical company has named **Betsy Ley** as director of marketing and customer service. Ley has managed customer service since joining the company five years ago.

■ **PHARMAVENTURES** has recruited **Paul Phull** as a senior director. Phull, who has 24 years of experience in the pharmaceutical, biotechnology and medical device industries, joins the UK-based company from Sinclair Pharma. He will be responsible for developing PharmaVentures' corporate advisory business.

■ **EMA** – the European Medicines Agency – said the Human Scientific Committee's Working Party with Patients' and Consumers' Organisations (PCWP) had elected **Lise Murphy** as its new co-chair for three years. Murphy, who replaces **Nikos Dedes**, will work alongside **Isabelle Moulon**, head of the medical information sector at the EMA, who has been re-nominated to serve as co-chair for a further three years.

OIC

## Manufacturers

## GlaxoSmithKline promotes Wallace in North America

**GlaxoSmithKline Consumer Healthcare** has promoted **Stacy Wallace** to the new position of vice-president, customer marketing and 360° insights at its North American business.

Wallace has been with GlaxoSmithKline Consumer Healthcare for eight years, after joining the operation's Nutritional Healthcare unit in the UK in 2002. She moved to the US in 2008, first as sales strategy director and then as director, category marketing and 360° insights.

Before joining GlaxoSmithKline, Wallace worked for Mars Confectionery in the UK.

Under her leadership, stated GlaxoSmithKline, the customer marketing and 360° insights team would “continue the development and execution of category visions and strategies in the area of health and wellness and in the creation of insight-led innovative and fully-evaluated shopper marketing programmes”.

### Heslop to retire next year

In a separate development, GlaxoSmithKline has announced that **Simon Dingemans** will replace **Julian Heslop** as chief financial officer and executive director when he retires next year. Dingemans, who is managing director and partner of Goldman Sachs, will move to GlaxoSmithKline three months before Heslop retires at the end of March 2011.

GlaxoSmithKline pointed out that Dingemans had more than 25 years of experience in investment banking, and had offered strategic



**Simon Dingemans**

advice across multiple industry sectors, including pharmaceuticals and consumer healthcare. He has worked closely with GlaxoSmithKline for many years.

The company said Dingemans would be responsible for delivering cost savings from its global restructuring programme and implementing further measures to simplify its operational model. He will also support GlaxoSmithKline's strategy to grow and diversify its business via organic means and bolt-on acquisitions.

Andrew Witty – chief executive officer of GlaxoSmithKline – commented that Dingemans would bring “valuable experience and capability” to the company.

Witty also paid tribute to Heslop, who has served as GlaxoSmithKline's chief financial officer for the past five years.

OIC

## Service Providers

## Ceuta sets up global consulting unit

**Sales and marketing outsourcing specialist Ceuta Healthcare** has set up a global consulting business called the Ceuta Capability Group (CCG).

CCG said it aimed to be the “leading global provider of outsourced management expertise for the healthcare industry”.

The business is led by chief executive officer **David Coles**, formerly of Alliance Boots; chairman and managing partner **Dave Richards**, formerly of Oracle; and **Susan Rockhill**, formerly of Alliance Boots.

CCG is supported by a number of associates, including: **Godfrey Axten**; **Peter Hinkley**; **Nigel Barfoot**; **Jitain Singh**; **David Mor-**

**peth**; **Patrick O'Leary**; and **Mike Eaton**.

A company spokesperson said Ceuta had provided consultancy as an added-value service for the past 15 years, and had now formalised this offering by setting up CCG. The global boutique consulting group tapped into the Ceuta Healthcare International Alliance, which now operated in more than 80 countries, added the spokesperson.

CCG can provide consultancy on a range of topics, including: global and local market entry strategies; change and risk management; supply chain efficiency; new product development; brand mapping; and merchandising.

OIC

Industry Associations

# China's Guo will be the next chairman of WSMI

The next chairman of the World Self-Medication Industry (WSMI) will be **Zhenyu Guo**, executive chairman of the China Nonprescription Medicines Association (CNMA) and chairman and chief executive officer of Dihon Pharmaceutical Co.

Guo will replace **Christopher Combe** when he completes his three-year term as chairman of the WSMI in October 2011.

The WSMI pointed out that Guo, who has led Dihon Pharmaceutical Co since January 2003, had received numerous awards. Last year, he was given the Outstanding Award for the Development of China's Self-Medication Industry.

Prior to joining Dihon, Guo was professor and director of the Laboratory of Biomedical Engineering at the George Washington University in Washington DC, US. He has a PhD in electrical engineering from McGill University, Canada, and an MS in electrical engineering



Zhenyu Guo

from Yunnan University, China.

Combe, who is president and chairman of Combe Incorporated, became chairman of the WSMI in 2008. He followed in the footsteps of his father Ivan Combe, who was chairman of the industry association between 1977 and 1979 (*OTC bulletin*, 31 March 2008, page 22).

Manufacturers

# Reliv recruits in South-East Asia

Reliv International has recruited **Khairul Abdul Karim** as general manager of its operations in Brunei, Indonesia, Malaysia and Singapore.

Abdul Karim joins the US-based nutrition and direct-selling company after spending nine years with Nu Skin Enterprises in Malaysia.

During his time at Nu Skin, Abdul Karim held a variety of senior management positions. Most recently, he was responsible for business development and account management in the Brunei, Malaysia and Singapore region, where he developed and implemented new sales and marketing initiatives.

Before joining Nu Skin, Abdul Karim worked for Hewlett Packard, Amerada Hess and Siemens Power.

Ryan Montgomery, Reliv's executive vice-president, worldwide sales, noted that Abdul Karim's experience of the direct-selling industry in South East Asia would be of "tremendous benefit" to the firm.

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