30 November 2010

OTC bulletin

THE BUSINESS NEWSLETTER FOR EUROPE'S CONSUMER HEALTHCARE INDUSTRY

Omega gets OTC lines in Spain and Portugal

Omega Pharma is set to make its third acquisition in a little over four weeks, after the Belgian firm agreed to pay around €9.0 million for Spanish pharmaceutical company Inibsa's OTC activities.

Led by the Apisérum range of food supplements, the OTC products generated annual sales of about €6.0 million in Spain, Omega pointed out, and a further €1.0 million in Portugal.

The products would also add €1.7 million-€1.8 million to Omega's earnings before interest, tax, depreciation and amortisation (EBITDA), the company said, noting the deal was expected to close before the end of this year.

Acquiring Inibsa's OTC activities would benefit the company's existing range, Omega claimed, pointing out that Inibsa's brands featured some "interesting product formulas" that could be used to strengthen its own nutritional supplements, such as Davitamon.

Omega is paying around €9.0 million for Inibsa's OTC activities, including the Apisérum food supplement

OTC portfolio led by Apisérum

Apisérum is Inibsa's biggest-selling OTC product, generating annual sales of around €5.0 million. Based on royal jelly and vitamins A, C and E, as well as all the vitamins in the B group, Apisérum's formula is ideally suited for fighting the effects of fatigue, Inibsa claims.

Inibsa also markets the Biocyte cosmetic and food-supplement brand, Clenosan and Clenosan BIO-UHT dermatology portfolios, Emoform mouthwashes, Gel skincare line and Laurigin intimate-hygiene products. Inibsa also offers the Milton brand of disinfectants and the Oralmedic mouth-ulcer treatment.

Omega's operational infrastructure in Spain would also be boosted by the deal, the company noted, with 20 of Inibsa's specialised OTC sales staff having been offered positions with Omega. Omega's Spanish workforce would grow to 60, with the addition of all 20 Inibsa staff.

Spain and Portugal accounted for around a fifth of Omega's sales in its Western Europe business region, which stood at €327 million last year (**OTC *bulletin***, 10 February 2010, page 11) (see Figure 1 on page 27). Omega's Spanish business reported turnover of approximately €50 million, the company noted, while its operations in Portugal generated a further €20 million.

The Inibsa deal comes just over a month after Omega acquired the ACO brand of vitamins and nutritional supplements in Sweden from Johnson & Johnson Consumer Nordic and bought the French natural products company Laboratoire de la Mer (**OTC *bulletin***, 29 October 2010, page 1).

Marc Coucke, Omega's chief executive officer, told **OTC *bulletin*** that despite its recent acquisitions, the company would continue to look for further buys.

Although Omega was happy with its size in most of its more than 30 markets, the company needed to grow its presence in Germany and the UK, Coucke said, adding that it also planned to expand further in emerging markets, particularly in South America.

Omega had a strong balance sheet, Coucke noted, so there was plenty of scope for making acquisitions over the next year. It was always looking out for interesting brands and businesses that could add something to its portfolio, he added.

Acquiring Inibsa's OTC portfolio, as well as the ACO brand and Laboratoire de la Mer,

■ *Continued on page 27*

Third-Quarter Results

ProPhase faces difficult market

ProPhase Labs, owner of the Cold-EEZE cough and cold brand, managed to grow sales in what was a "very difficult retail environment", according to the US firm's chief executive officer Ted Karkus.

Speaking as ProPhase reported a 4.6% rise in third-quarter sales to US$5.20 million (€3.82 million), Karkus said "prevailing economic conditions" had led consumers towards "lower-priced, private-label brands in place of national brands such as Cold-EEZE".

"As a result of this down trending and mild cough/cold seasons over the past several years, retailers have reduced shelf space for cough and cold remedies in the current season," Karkus claimed.

This in turn had led to aggressive discounting, he pointed out, which had put more pressure on sales and margins. These had already been hit by the effects of the retail overstock created by the H1N1-related sales in late 2009.

ProPhase had worked hard to face up to the difficult trading environment, Karkus said, by reinvigorating the Cold-EEZE brand with upgraded packaging, improved flavours and a more focused marketing strategy.

In the months to come, the new marketing strategy would be rolled out, Karkus said, including sponsorship of an ice-skating show on US television network NBC, and a nationwide sampling campaign, as well as a "robust social media campaign".

Establishing the new marketing strategy led to a 48.9% increase in sales and marketing expenses in the third quarter to US$0.90 million, ProPhase noted, leading to a 21.9% decline in operating income to US$0.94 million.

OTC

IN BRIEF

■ **BEIERSDORF** said that positive performances in the UK and Russia, as well as "**strong growth**" in North and Latin America, had pushed sales at its Consumer business – including the Nivea and Eucerin skincare brands – up by 2.3% to €4.1 billion in the opening nine months of 2010. At current exchange rates, the nominal increase was a stronger 6.3%. The Consumer business' earnings before interest and tax (EBIT) increased even faster, the German company pointed out, finishing up by 10.4% to €467 million.

OTC

Business Strategy

Bayer to cut 2,000 jobs as part of savings drive

Bayer is aiming to make annual cost savings of €800 million from 2013 to help fund its product pipeline, marketing programmes and expand its presence in emerging markets.

Marijn Dekkers, chairman of Bayer's management board, said that to finance the expansion of the company's growth activities, it needed to "redirect resources, improve efficiencies and cut costs".

The German company revealed that to help meet its savings target it would reduce its global workforce of 108,700 by approximately 2,000 by the end of 2012.

Around 4,500 positions across the company – including 1,700 in Germany – would be cut, Bayer said, while some 2,500 new jobs would be created over the same period, particularly in emerging markets.

Bayer had great potential in all three subgroups – CropScience, HealthCare and MaterialScience – Dekkers claimed, but to better exploit this the company had to continue "bundling resources and streamlining its structures".

"That is the only way we can sustainably finance our investment in growth and innovation – for example in new pharmaceutical products, in our BioScience business and in the expansion of capacities in Asia," Dekkers insisted.

"The cutbacks involved will not be easy but they are necessary," he added, "and I'm convinced that with more innovation and less administration, Bayer can become a better and faster company".

Achieving the savings will cost Bayer approximately €1.0 billion by the end of 2012, starting in the current quarter.

The company's focus would be on researching, developing and marketing new products, Bayer said, especially in HealthCare – which includes the company's Consumer Care unit – and CropScience. Expansion in emerging markets was also a key target, the company noted.

However, with sales and earnings under pressure from generic products, rising development costs and the effects of healthcare reforms, Bayer pointed out, the savings programme was the best way to finance the high level of investment required to achieve these aims over the next few years.

Earlier this month, Bayer reported HealthCare turnover up by 8.5% to €4.27 billion in the third quarter of 2010, while earnings before interest and tax (EBIT) increased by 4.6% to €712 million (**OTC *bulletin***, 16 November 2010, page 13). The Consumer Health business posted turnover up by 10.9% to €1.54 billion, with the Consumer Care unit contributing sales of €880 million, up by 13.3%.

OTC

Third-Quarter Results

Emerging markets boost Nycomed

Nycomed's total OTC sales increased by 12.7% to €115 million in the third quarter of 2010. In local currencies, however, the rise was a more modest 4.0%.

OTC sales had continued to improve in the third quarter, the Swiss company said, thanks to double-digit gains in emerging markets – primarily Latin America and Russia – and a "strong" performance from its OTC gastrointestinal and respiratory brands.

Selective divestments, withdrawals and expirations of product licences had slowed growth in Europe, Nycomed noted.

Nycomed's OTC sales excluding calcium OTC and pantoprazole OTC – which are reported in its Speciality Products and Gastrointestinal businesses respectively – moved forward by 14.8% to €100 million. In local currencies, sales only edged up by 3.2%.

During the three months, Novartis Consumer Health introduced Nycomed's Pantoloc Control OTC product into three more European markets (**OTC *bulletin***, 29 October 2010, page 2) as part of the co-marketing agreement signed between the two companies in February (**OTC *bulletin***, 14 May 2010, page 22). Pantoloc Control is now available in all 14 European markets covered by the co-marketing agreement.

OTC sales – excluding calcium OTC and pantoprazole OTC – accounted for 12.3% of Nycomed's total group sales, which fell by 0.7% as reported and by 7.4% in local currencies to €815 million.

OTC

Mergers & Acquisitions

Sigma approves Pharmaceuticals sale

Sigma Pharmaceuticals has formally approved the sale of its Pharmaceutical division to Aspen Pharmacare for A$900 million (€651 million). The formal agreement was reached three months after South Africa's Aspen first lodged its bid for the troubled Australian firm (**OTC *bulletin***, 10 September 2010, page 3).

Brian Jamieson, chairman of Sigma, said the board considered the sale of the Pharmaceuticals division to Aspen as the "best outcome for Sigma shareholders".

The deal – which is expected to be completed by 31 January 2011 – enabled the firm significantly to reduce its bank debt and to consider capital management initiatives, including a special dividend, Jamieson said. Sigma would retain full ownership of its Healthcare division, he added, which consists of its retail and wholesale operations.

Mark Hooper, Sigma's managing director, said that once the deal had been completed, the company would focus on "improving initiatives and organic growth opportunities" that built upon its "strong relationships" with its "extensive pharmacy network".

"We will have an ongoing relationship with Aspen," Hooper added, "which has the potential to provide a number of benefits."

"In particular, we have entered into a long-term supply agreement, under which Sigma will act as Aspen's preferred distribution partner," Hooper pointed out, "and Aspen will manufacture products for Sigma on an ongoing basis."

Aspen's A$900 million offer is about A$250 million more than the company had previously bid for the entire Sigma Group (**OTC *bulletin***, 31 May 2010, page 1). Its previous offer of A$1.43 billion, however, would have seen Aspen assume Sigma's debts of A$785 million.

The deal for the Pharmaceuticals division includes Sigma's consumer healthcare brands such as Herron, as well as its generics operation and prescription brands, orphan drugs, medical products and a contract manufacturing business.

Aspen – which already has a A$180 million sales and marketing operation in Australia – believes Sigma will act as "an established point of entry to the Australian generics and OTC sectors". This would allow it to introduce its pipeline of generic and OTC products.

The South African firm also plans to use its Australian business as a platform from which to expand throughout the Asia-Pacific region and anticipates synergies from adding Sigma's production capabilities to its global manufacturing network.

Sigma's Pharmaceuticals division incurred an operating loss of A$125 million on turnover down by 5.6% to A$671 million in the year ended 31 January 2010, 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).

In October, Sigma cut the goodwill value of the Pharmaceuticals division by a further A$220 million (**OTC *bulletin***, 15 October 2010, page 5). As a result, the division posted an operating loss of A$198 million during the six months ended 31 July 2010 on turnover up by 1.8% to A$276 million.

Looking ahead, Sigma said that while trading continued in line with expectations it had agreed to cancel a number of planned product promotions as a consequence of the deal with Aspen. These had been scheduled for January 2011 and would likely record an additional A$5 million-A$7 million in corporate expenses.

As a result, the company now expected to post earnings before interest and tax (EBIT) of between A$120 million and A$130 million for the full year ended 31 January 2011, Sigma said, down from its previous guidance of A$140 million-A$150 million.

OTC

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Third-Quarter Results

Atrium jumps back on acquisition trail

Canada's Atrium Innovations is back on the acquisition trail and ready to buy sooner rather than later, according to president and chief executive officer Pierre Fitzgibbon.

Speaking as Atrium announced an acquisition-driven 9.2% rise in third-quarter sales to US$88.9 million (€65.9 million), Fitzgibbon said with the firm's recent purchases now integrated, it was ready to make further buys.

"Our current pipeline is very active," Fitzgibbon added, "and could lead to transactions in the near future."

Atrium has made numerous acquisitions on both sides of the Atlantic over the past three years, with the majority outside of Canada. Acquiring the US-based nutritional supplements company Garden of Life in September last year (**OTC *bulletin***, 30 September 2009, page 3) and the Canadian vitamin, mineral and herbal supplement manufacturer Trophic Canada in March this year (**OTC *bulletin***, 31 March 2010, page 8) had been the primary driver of sales growth in the third quarter, Atrium said.

Excluding the negative currency impact when compared to last year, the rise in sales would have been an even greater 12.8%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) dropped by 1.6% to US$21.2 million.

OTC

Annual Results

Adcock eyes OTC buys home and abroad

South Africa's Adcock Ingram is seeking acquisitions to boost its domestic OTC business and also to give the company an OTC presence in other emerging markets, according to chief executive officer Jonathan Louw.

The company had already identified a couple of South African firms operating in the vitamin, minerals and supplements sector that were of interest, Louw revealed, and would enable it to grow its product offering in the fast-moving-consumer-goods channel (FMCG).

This type of acquisition would add the incremental growth needed for the company to hit its target of R750 million (€80 million) in annual sales through the FMCG channel, Louw noted. It would also improve the company's retail offering, he added, and help Adcock gain critical mass in the FMCG space.

Expanding Adcock Ingram's OTC and generics businesses into other emerging markets, such as Asia, Eastern Europe and Latin America, was also on the agenda, Louw pointed out.

The company was willing to spend over R1.0 billion on acquisitions in emerging markets, he said.

However, Adcock Ingram would be "prudent and selective" in the acquisitions it made in emerging markets, Louw warned, pointing out that the company had already walked away from deals that had not met its criteria.

"We are not rushing this," Louw insisted. "We are going to do the right transaction, at the right price, at the right time."

Meanwhile, Adcock Ingram said that its OTC business had achieved a double-digit sales increase in the year ended 30 September 2010, despite consumers down-trading to cheaper brands and generics.

OTC turnover had risen by 10.7% to R1.43 billion, with operating profit edging up by 1.2% to R407 million (see Figure 1).

Louw said the company was "delighted" with the performance of the OTC business, which had outgrown the total South African OTC market in value and volume terms.

Business	Annual sales (R millions)	Change (%)	Operating profit (R millions)	Change (%)
Prescription	1,666	+13.6	540	+28.1
OTC	1,427	+10.7	407	+1.2
Hospital	1,347	+7.8	253	+14.6
Total	**4,441**	**+10.9**	**1,200**	**+14.9**

Figure 1: Adcock Ingram's sales and operating profit in the year ended 30 September 2010, broken down by business (Source – Adcock Ingram)

OTC sales in pharmacies had increased to R1.05 billion, the company pointed out, while in the FMCG channel, turnover had jumped to R373 million.

The strong rise in the FMCG channel was thanks primarily to the acquisition of supplements company Unique Formulations a year ago (**OTC *bulletin***, 30 November 2009, page 1), which boosted the firm's sales in the vitamin, mineral, supplements and tonics category.

Outperformed the VMS market

According to figures from market researcher AC Nielsen, in the 52 weeks ended 30 September 2010, Adcock Ingram's OTC business massively outperformed the market in the vitamins, minerals, supplements and tonics category, with both volume and value sales growth more than doubling (see Figure 2).

Adcock Ingram's existing Bioplus, Vitathion and Gummyvites brands had also contributed to the "very good volume gains", Louw said, claiming that the company was now number one for vitamins, minerals and supplements in South Africa's FMCG channel.

Three out of Adcock Ingram's other four key product categories – digestive/stomach/urinary tract remedies; cough drops and lozenges and liquid cough cold influenza remedies – outperformed the market on both a value and volume sales basis.

These gains, however, were tempered by the firm's performance in its biggest FMCG category – analgesics – where volume sales of the company's brands declined faster than the category overall. Value sales growth, meanwhile, lagged behind total category growth.

A strong performance by the Panado brand in the face of consumer down-trading in the FMCG channel had not been enough, Louw said, to offset a packaging issue which had hit the company's Compral brand.

Stocks of the Compral brand had run out, Louw noted, which had been the primary cause for the company's loss of both volume and value market share in the analgesics category.

Commenting on the OTC market in South Africa, Bill Tweedie, managing director of OTC and Pharmaceuticals at Adcock Ingram, said there had been a definite shift towards cheaper brands, with the company's own economy brands performing well.

Despite this, Adcock Ingram had continued to invest in the firm's premium OTC brands, Tweedie noted, as it believed consumers would trade up once the economy returned to normal.

Investing in core brands would continue to drive growth, along with the roll-out of products into international markets, Tweedie added, while the company would also begin reaping the full benefits of buying Tender Loving Care (**OTC *bulletin***, 17 April 2009, page 7) and Unique Formulations.

The OTC business accounted for 32% of Adcock Ingram's total sales for the 12 months, which grew by 10.9% to R4.44 billion.

The dominant Prescription business generated 38% of the total, with sales up to R1.67 billion, while the Hospitals unit was responsible for the remaining 30% as its turnover advanced by 7.8% to R1.35 billion.

Adcock Ingram noted that its total operating profit had increased by 14.9% to R1.20 billion for the full year.

Category	Volume sales growth (%)		Value sales growth (%)	
	Total category	Adcock Ingram	Total category	Adcock Ingram
Analgesics	-1.8	-3.9	+4.4	+3.0
Cough drops and lozenges	-4.4	-0.5	+3.5	+5.1
Digestive/stomach/ urinary remedies	-1.7	+3.1	+8.2	+10.2
Vitamins/minerals/ supplements/tonics	+18.1	+163.4	+12.2	+132.9
Liquid cough cold influenza remedies	-3.2	+53.8	+2.5	+71.2

Figure 2: Adcock Ingram's volume and value sales growth in key product categories in South Africa's 'fast-moving consumer goods' channel for the year ended 30 September 2010 (Source – AC Nielsen/Adcock Ingram)

OTC

Third-Quarter Results

OTC sales lift Pharmstandard

Sales of Pharmstandard's branded OTC products grew by 63.5% to RUB4.37 billion (€0.12 billion) in the third quarter of 2010, as its Arbidol flu brand enjoyed a "particularly impressive" quarter.

Arbidol's sales had more than doubled in the three months, Pharmstandard said, with turnover finishing up by 104% to RUB2.23 billion thanks to increased demand.

Branded OTC sales were also boosted by strong performances from the Amixin "immunostimulatory" brand, Codelac cough products, and Complivit vitamins and minerals, the Russian firm pointed out.

Branded products accounted for 87.5% of Pharmstandard's total OTC sales, which finished up by 54.1% to RUB4.99 billion in the three months. Non-branded OTC products contributed the remaining 12.5%, as turnover grew by 9.7% to RUB625 million.

During the period, Pharmstandard expanded its OTC portfolio by acquiring Vindexpharm and its Acipol probiotic brand for an undisclosed sum (**OTC *bulletin***, 29 September 2010, page 7). The company also launched a codeine-free version of its Pentalgin OTC analgesic and extended its Corvalol heart medication brand.

Sales of OTC products represented 63.4% of sales at Pharmstandard's Pharmaceuticals division, which rose by 82.4% to RUB7.87 billion in the third quarter. Pharmstandard's branded and non-branded prescription pharmaceuticals contributed a further 8.2%, while sales of third-party products generated another 27.4%.

The Pharmaceuticals division represented 98.3% of Pharmstandard's third-quarter sales, which grew by 78.9% to RUB8.01 billion.

Medical equipment and disposables made up the remaining 1.7%. Sales at the Medical Equipment and Disposables division fell by 14.0% to RUB139 million.

OTC

IN BRIEF

■ **TAKEDA PHARMACEUTICAL** stated lower sales of its **Benza OTC cold remedy** had led to sales at its Consumer Healthcare business falling by 3.5% to ¥31.3 billion (€281 million) in the six months ended 30 September 2010. However, a decline in operating expenses, the Japanese firm noted, had led to a 14.3% rise in the division's operating income to ¥7.8 billion.

OTC

Business Strategy

Novartis hunts OTC buys to boost core categories

Novartis is prepared to spend between US$1 billion and US$2 billion (€0.7 billion and €1.5 billion) on bolt-on acquisitions to expand its OTC business.

However, Joseph Jimenez, Novartis' chief executive officer, said the Swiss company did not have to make acquisitions to increase the size of its OTC business over the next five years. The OTC business would be boosted by organic growth, he insisted, explaining that the company would focus on growing its existing brands in its three core categories, and expanding its presence in its top 10 markets.

Acquisitions in core categories

A spokesperson for Novartis Consumer Health told **OTC *bulletin*** that the company was primarily seeking acquisition opportunities in its three core categories – cough/cold/allergy, gastrointestinal and pain relief – but would consider moving into others. The search would focus on the company's top 10 OTC markets, added the spokesperson.

Jimenez said the aim was for the top 10 markets to account for around 70% of sales by the OTC business by 2015. They currently generated 60%, he noted.

The OTC business – which had outperformed the global OTC market in the third quarter of 2010, according to Novartis (**OTC *bulletin***, 29 October 2010, page 2) – forms part of the company's Consumer Health division, along with its Animal Health and CIBA Vision businesses.

Consumer Health reported sales up by 8% – 9% in local currencies – in the third quarter to US$1.59 billion, accounting for 13% of Novartis' total sales of US$12.6 billion.

Growing Novartis Consumer Health's OTC business – which includes the Theraflu cough/cold brand, Voltaren pain reliever, and Prevacid 24HR gastrointestinal remedy – with bolt-on acquisitions is one element of Jimenez' plans for the Swiss company.

Setting out his vision nine months after taking charge of Novartis, he said the firm remained committed to its core strategy of "focused diversification in high-growth healthcare segments". "We are leveraging our core competencies in scientific discovery and development," he remarked, "to continue driving innovation, growth and productivity across the businesses."

The cornerstone of the strategy would be a focus on innovation through what Novartis described as the "most productive research and development programme in the industry".

This in turn would enable the company's diversified healthcare portfolio – covering pharmaceuticals, generics, vaccines, eye care, diagnostics and consumer health products – to continue addressing key unmet medical needs and provide sustainable growth, the company said.

Group-wide productivity initiatives had also been launched, Novartis noted, including a review of the company's manufacturing footprint, initiatives to optimise its sales and marketing spending, moves to leverage resources and portfolios across divisions, and schemes to streamline administration processes.

OTC

Nine-Month Results

Celesio pushes on with DocMorris plan

Celesio has created a new unit to manage the international expansion of its DocMorris brand as the pan-European wholesaler and retailer seeks to make DocMorris the leading pharmacy name in Europe.

A spokesperson for Celesio told **OTC *bulletin*** that the DocMorris International Retail unit now managed all Celesio's pharmacy businesses outside of the UK, as well as the DocMorris franchise operation in Germany.

The unit also had responsibility for rebranding all Celesio's existing pharmacies in Belgium, Czech Republic, Ireland, Italy, Norway and Sweden as DocMorris stores, the spokesperson said, and for developing an international DocMorris franchise business.

In September, Celesio announced that it planned to rebrand all its pharmacies outside of the UK as DocMorris stores as it sought to double its customer numbers in continental Europe, Ireland and Scandinavia by 2015 (**OTC *bulletin***, 10 September 2010, page 5).

Fritz Oesterle, chairman of Celesio's management board and chief executive officer, said the company would "expand DocMorris to become the leading pharmacy brand in Europe".

In July, Celesio announced that it had taken the DocMorris brand into a fourth market by converting one of its existing 162 Italian pharmacies into a DocMorris pilot store (**OTC *bulletin***, 30 July 2010, page 9).

The Italian business joined the original DocMorris mail-order operation and virtual pharmacy chain in Germany, as well as the fledgling DocMorris Apotek chain in Sweden (**OTC *bulletin***, 26 February 2010, page 2) and the two DocMorris pilot pharmacies in Ireland (**OTC *bulletin***, 31 March 2010, page 5).

Meanwhile, Celesio reported a prescription-driven 5.1% rise in sales at its Retail Pharmacies business to €2.47 billion in the opening nine months of 2010 (see Figure 1). In local currencies, the rise was a more modest 1.2%.

In contrast to the better unit sales of prescription medicines, turnover from OTC products had been "unsatisfactory", the company said, noting that its OTC sales in countries with weak economies, particularly Ireland and the UK, still remained below the levels achieved before the global economic crisis.

Despite the difficult trading environment, Celesio was keen to expand its OTC offering, especially with own-brand products, it insisted, as a way of reducing its exposure to "government-regulated compensation schemes".

As of 30 September 2010, the Retail Pharmacies business was operating 2,323 stores – two down from the same time last year – but 27 more than at the end of 2009. During the nine months, the division had opened 33 stores, Celesio said, of which 28 were in Sweden. A further six pharmacies were acquired, while 12 were sold or closed.

Prescriptions rise but OTC falls in UK

The Lloydspharmacy chain in the UK accounted for 63.2% of Retail Pharmacies' total sales for the nine months, with the business benefiting from better revenues from prescription medicines and pharmacy services, although sales of OTC products had declined. Earnings, however, had been hit by lower reimbursement prices, Celesio noted.

Development of Celesio's Vitusapotek chain in Norway had remained stable, the company said; while in Italy, government measures cutting the prices of generics had hit earnings.

In the Netherlands, generics tendering in all but name had hurt earnings, Celesio said, noting it had strengthened its position by merging its pharmacy business with Phoenix Pharmahandel's Escura Apotheken chain, creating the country's second-largest pharmacy chain with 115 fully-owned stores and 40 franchise partners (**OTC *bulletin***, 30 June 2010, page 5).

Commenting on its fledgling Swedish pharmacy chain, DocMorris Apotek, Celesio said the chain's initial success had led it to increase for a second time the number of stores it planned to open in 2010.

The company will now unveil 50 DocMorris Apotek stores by the end of the year, Celesio said. This was up from a revised target of 30-40 stores announced in May (**OTC *bulletin***, 14 May 2010, page 3) and even further ahead of the 20-30 stores that Celesio initially said it would open this year.

Establishing the Swedish chain had a negative effect on Retail Pharmacies' earnings before interest, tax, depreciation and amortisation (EBITDA), which slipped back by 0.2% – or by 3.7% in local currencies – to €223 million.

The decline was blamed by Celesio on expenses related to setting up the DocMorris Apotek chain in Sweden, as well as a squeeze on earnings caused by government measures in a number of markets.

Away from the Retail Pharmacies business, Celesio's mail-order operations had enjoyed a "highly satisfactory" nine months, the company said. The DocMorris mail-order business in Germany had been lifted by strong prescription sales, Celesio noted, while the mail-order operations in Norway and the UK had progressed according to plan.

Mail-Order Pharmacies achieved a positive EBITDA of €9.8 million, compared to a loss of €3.1 million this time last year.

In September, Celesio announced that DocMorris was teaming up with Klingel Group to create a mail-order pharmacy aimed at people in Germany and the Netherlands over the age of 50 years (**OTC *bulletin***, 29 September 2010, page 1).

In the Other Business Areas unit – which is dominated by the Apotheke DocMorris franchise operation in Germany – sales fell by 17.7% to €2.8 million. Celesio said it had spent the nine months working to optimise the product ranges, marketing support and retail services offered to DocMorris franchise members.

As of 30 September 2010, 156 German pharmacies had signed up to the franchise scheme.

During the opening nine months of 2010, Celesio's Patient & Consumer Solutions division recorded sales up by 5.8% to €2.69 billion. In local currencies, the growth was 2.2%. The division's EBITDA increased by 6.2% – 2.6% in local currencies – to €232 million.

Business	Nine-month sales (€ millions)	Change 2009/2010 (%)	EBITDA (€ millions)	Change 2009/2010 (%)
Retail Pharmacies	*2,474*	*+5.1*	*223.4*	*-0.2*
Mail-Order Pharmacies	*215*	*+15.3*	*9.8*	*–*
Other Business Areas	*3*	*-17.7*	*-1.0*	*+49.1*
Patient & Consumer Solutions	2,692	+5.8	232.2	+6.2
Pharmacy Solutions	14,184	+10.5	337.4	+19.3
Other	470	–	-60.8	–
Total Celesio	**17,346**	**+10.3**	**508.8**	**+11.5**

Figure 1: Celesio's sales and earnings before interest, tax, depreciation and amortisation (EBITDA) in the first nine months of 2010, broken down by business (Source – Celesio)

OTC

Third-Quarter Results

Hypermarcas boosted by OTC demand

Brazil's leading OTC company, Hypermarcas, said that "record" levels of demand for certain OTC brands coupled with recent acquisitions helped drive up its Pharma sales by 83% to BRL307 million (€131 million) in the third quarter of 2010.

Growth, Hypermarcas said, had been fuelled by demand for the Lisador analgesic brand and Rinosoro nasal decongestant during the three months, and by adding the Neo Química OTC and generics business and the Luper Indústria Farmacêutica OTC company.

Acquiring Neo Química at the end of last year (**OTC *bulletin***, 18 December 2009, page 3) and Luper in April (**OTC *bulletin***, 30 April 2010, page 9) added BRL99.2 million in sales to the company's Pharma division, which also comprises the Dorsay Monange OTC business and the company's prescription unit.

Purchased in a cash and share deal worth BRL1.29 billion in December last year, Neo Qúimica not only expanded Hypermarcas' Dorsay Monange OTC business, it also took the company into the Brazilian generics market for the first time.

Pharma sales accounted for 36.7% of Hypermarcas' total third-quarter turnover (see Figure 1), which improved by 68% to BRL836 million. Sales at Hypermarcas' Personal Care business improved by 145% to BRL406 million, thanks to a number of acquisitions, and accounted for 48.6% of the company's total sales. Home Care and Food generated the remaining 14.7%.

Following the close of the quarter, Hypermarcas expanded its Personal Care offering even further by acquiring the oral hygiene companies IPH&C Indústria de Produtos de Higiene e Cosméticos, DPH Distribuidora de Produtos de Higiene and Comercial Maripa for a total of BRL82.5 million. In addition, Hypermarcas also acquired Colgate-Palmolive's Pom Pom baby soap brand for BRL85.0 million.

Founded in 2002, Hypermarcas' business strategy is built on an aggressive acquisitions policy, which has seen the company make numerous purchases across all of its business areas over the past seven years. In 2009 alone, the company made five acquisitions totalling around BRL2.0 billion.

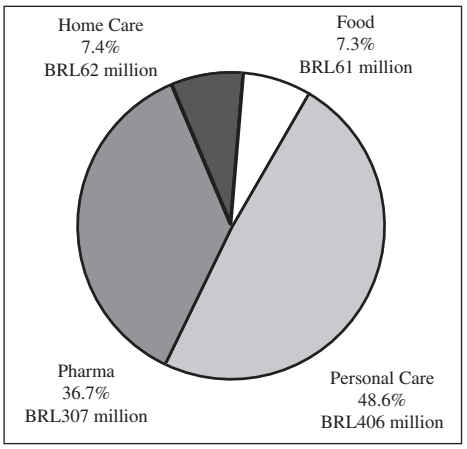


Figure 1: Hypermarcas' sales in the third quarter of 2010 – BRL836 million – broken down by business (Source – Hypermarcas)

OTC

Nine-Month Results

Oriola-KD blames Russia for profit hit

Oriola-KD said its operating profit had dropped back by 79% to €6.8 million in the first nine months of 2010 as a result of one-off costs and difficulties.

In contrast, the Finnish wholesaler and retailer's net sales improved by almost a quarter to €1.4 billion, driven by strong performances in its domestic market and Sweden.

Commenting on the "extremely difficult marketing environment" in Russia, Oriola-KD said it would adjust its Russian business to the conditions in the short term, but would not abandon its long-term growth strategy.

The company added that it had also booked one-off costs of €11.7 million during the period. These were the result of a Swedish pharmaceutical firm and a Russian pharmacy chain both entering bankruptcy, as well as a write-down of stock value in Russia.

Excluding these one-off costs, operating profit stood at €18.5 million, Oriola-KD noted.

During the nine months, Oriola-KD completed the acquisition of 70 pharmacies in Moscow from the Russia-based pharmaceutical retailer OOO 03 Apteka.

OTC

Business Strategy/Nine-Month Results

Stada makes move into Middle East

Stada Arzneimittel has started to build a presence in the Middle East by paying €1.0 million for Egyptian Germa Pharm.

The acquired company – which is based in the Egyptian capital, Cairo – achieved a turnover last year of €0.8 million.

In part through its Serbian subsidiary Hemofarm, Stada has said it intends to "expand business activities in the Middle East" (**OTC *bulletin***, 16 April 2010, page 5).

In the first nine months of this year, Stada's sales outside of Europe – mainly in Asian markets – accounted for less than 5% of group turnover ahead by 3% to €1.18 billion.

Sales by Stada's Branded Products division advanced by 12% to €311 million (see Figure 1). On an adjusted basis, the rise was a more modest 6%, Stada noted.

In contrast to sales, operating profit at the Branded Products division dropped by 2% in the nine months to €51.4 million.

Branded Products accounted for 26.3% of Stada's total group sales, but 48.9% of the company's total operating profit, which declined by 19% to €105 million.

Stada's sales of Branded Products in Germany increased by 6% to €92.1 million, helped by adding the Eunova nutritional supplement at the end of 2009, which had contributed €4.3 million in the period. Branded Products accounted for 23% of Stada's total domestic sales, which fell by 4% to €393 million.

In Russia – Stada's second-biggest market in sales terms – Branded Products' turnover rose by 31% to €78.0 million, accounting for half of the company's total sales in the market. These grew by 22% to €156 million.

A 10% decline in Branded Products' sales in Italy to €32.0 million was in contrast to the strong double-digit rise posted by the Generics division, which helped drive up Stada's total sales in the country by a fifth to €99.9 million.

Stada pointed out that during the third quarter it had begun restructuring its Italian Branded Products business to help improve operating profitability.

In Belgium, Branded Products' turnover grew by 12% to €5.1 million. This accounted for 5% of the company's total Belgian sales, which improved by a tenth to €99.1 million.

French Branded Products' sales decreased by 2% to €3.4 million, accounting for 6% of Stada's total sales in France, which declined by 3% to €57.0 million.

Branded Products was responsible for 9% of Stada's group sales in Serbia, with turnover down by 10% to €4.6 million. Total sales in the country fell by 33% to €52.7 million.

Business	Nine-month sales (€ millions)	Change (%)	Operating profit (€ millions)	Change (%)
Generics	816	±0	86.2	-18
Branded Products	311	+12	51.4	-2
Commercial	44	+20	-1.8	–
Group/other	6	±0	-30.8	–
Total Stada	**1,178**	**+3**	**104.9**	**-19**

Figure 1: Stada's sales and operating profit in the first nine months of 2010 by business (Source – Stada)

Nine-Month Results

Europe drives up sales at BioGaia

BioGaia reported a 15% increase in net sales to SEK173 million (€18 million) in the first nine months of 2010, as better turnover of finished consumer probiotic products in Europe offset sharp declines in Japan.

Excluding negative currency effects, sales had grown by a quarter, the Swedish firm noted.

The rise in European sales had been primarily driven by large deliveries of its probiotic cultures to Nestlé Nutrition, BioGaia said, as well as strong sales of its *Lactobacillus reuteri* probiotic drops and tablets.

In Japan, however, sales had not yet "gained momentum", the company explained, after the wholesaler Nippon Access (**OTC *bulletin***, 17 March 2010, page 7) took over distribution of its products in the country. In addition, no deliveries had been made to the company's chewable tablet distributor in Japan.

BioGaia's operating profit rose by a tenth to SEK40 million during the nine months.

Nine-Month Results

A&D stands firm in tough market

A&D Pharma had demonstrated its resilience in the face of "adverse macroeconomic and regulatory market conditions" over the opening nine months of 2010, according to chief executive officer Robert Popescu.

Sales at A&D Pharma – the Dutch holding company which operates the Sensiblu pharmacy chain and Mediplus wholesaling businesses in Romania – increased by 32% to €482 million over the period.

The 233-strong Sensiblu pharmacy chain had reported turnover up by 32% to €179 million, A&D Pharma said, driven by the ongoing focus on consolidating existing outlets.

Sales at the Mediplus wholesaling business – including intra-company sales – grew by 47% to €391 million. A&D Pharma attributed the rise to more efficient logistics and working capital management, which had provided faster access to suppliers' products and given the company a competitive advantage in Romania.

A&D Pharma's sales and marketing business in Romania posted a 64% drop in turnover to €11.4 million during the opening nine months of 2009. This was mainly due to restructuring its supplier portfolio, and was also partially due to a reclassifying of products to the wholesale division.

Meanwhile, the company reported its first sales from its international sales and marketing division, which was formed after A&D Pharma acquired Bulgaria's Arishop Pharma AD and its local subsidiary, as well as Romania-based Ozone Laboratories' businesses in the Czech Republic, Hungary, Poland and Slovakia this July (**OTC *bulletin***, 30 July 2010, page 9).

Complete sales and marketing solution

Popescu pointed out that the acquisitions enabled A&D Pharma to offer pharmaceutical companies a complete sales and marketing solution in central and eastern Europe.

International sales and marketing turnover for July, August and September had been €16.7 million, A&D Pharma said, adding that it had also secured an OTC partnership deal with branded generics firm Glenmark in Poland.

Third-Quarter Results

GNC boosted by retail business

Sales at General Nutrition Centers (GNC) increased by 8.1% to US$466 million (€342 million) in the third quarter of 2010, driven by the company's retail and franchise businesses.

The US-based nutritional supplements manufacturer and retailer said that turnover from its wholly-owned stores had improved by 8.4% over the three months, while franchise outlets had posted sales up by 14.3%.

Same-store sales in domestic company-owned stores had grown by 7.1%, GNC pointed out, representing the 21st consecutive quarter of positive same-store turnover growth.

In contrast, sales at GNC's manufacturing and wholesale operation slipped back by 1.9%.

Adjusted for non-cash stock-based compensation, earnings before interest, tax, depreciation and amortisation (EBITDA) advanced by 18.9% to US$71.0 million.

Joe Fortunato, chief executive officer of GNC, said the results had been pleasing, with the retail and franchise operations continuing to drive both sales and adjusted EBITDA margin expansion.

As of 30 September 2010, GNC had more than 7,100 outlets – over 5,500 of which were in the US – and had franchise operations spread across 45 countries.

Following the close of the quarter, GNC announced that it was looking to raise up to US$350 million through an initial public offering (IPO) for working capital and general corporate purposes (**OTC *bulletin***, 15 October 2010, page 2). The firm had previously postponed an IPO in 2006 (**OTC *bulletin***, 17 November 2006, page 1).

OTC

IN BRIEF

■ **RELIV** said its **third-quarter results**, particularly in the US, had not been good enough, after the direct-selling supplements firm reported turnover down by 10.6% to US$18.7 million (€14.1 million). Operating income declined by 6.5% to US$0.4 million.

■ **NAVAMEDIC** said sales at its **Vitaflo Scandinavia** sales and distribution business had fallen by 1.7% to NKr13.7 million (€1.7 million) in the third quarter of 2010. Vitaflo Scandinavia distributes the Glucomed glucosamine brand in Denmark, Finland, Norway and Sweden.

OTC

Second-Quarter Results

Matrixx Initiatives suffers following H1N1 planning

Matrixx Initiatives said its sales in the three months ended 30 September 2010 had declined as expected compared to a year ago, when turnover had been boosted by retailers overstocking its Zicam products in anticipation of an outbreak of H1N1 swine flu.

The company's total sales for the quarter had fallen by 16.8% to US$21.3 million (€15.5 million), Matrixx noted, but operating income had advanced by 4.5% to US$8.60 million primarily due to lower selling, general and administrative costs.

Bill Hemelt, president and chief executive officer of Matrixx, said the company's sales had been in line with its expectations.

In Matrixx' second quarter last year, retailers had placed large pre-season orders in anticipation of increased levels of illness associated with H1N1, Hemelt pointed out, which had reduced the firm's sales in subsequent quarters.

"This year the inventory level at retail going into the cold season is lower," he added, "and as a result we believe reorders during our third and fourth quarters will be higher."

An advertising campaign encompassing television, print, and online media (see page 15) would also help increase sales of Zicam products, Hemelt claimed.

In the six-month period ended 30 September 2010, Matrixx' turnover declined by a quarter to US$24.5 million, primarily due to withdrawing two Zicam Cold Remedy nasal products in June last year (**OTC *bulletin***, 19 June 2009, page 15).

However, Matrixx did report a positive operating income of US$4.63 million for the six months, compared to a withdrawal-related operating loss of US$28.9 million a year earlier.

OTC

Third-Quarter Results

China Nepstar sees 7.3% rise

China Nepstar said its sales for the third quarter of 2010 had increased by 7.3% to CNY597 million (€68 million), driven by the introduction of "high-turnover convenience products" to its drugstores.

Introducing these new convenience products, the company pointed out, had offset the negative impact of the Chinese government's price control policy on prescription and OTC drug sales.

Sales of OTC drugs represented 35.5% of Nepstar's turnover during the quarter, the company noted, with prescription drugs contributing 21.6%. Nutritional supplements generated a further 20.1%, traditional Chinese herbal products accounted for 3.2%, and other products made up the remaining 19.6%.

However, higher operating expenses led to a 58% decline in the company's operating income to CNY14 million.

As of 30 September 2010, Nepstar was operating 2,577 drugstores across China. During the quarter, the company said it had opened 32 new stores and closed 37.

OTC

IN BRIEF

■ **OXFORD NUTRASCIENCE** said it had been granted a 20-year UK patent for its **chewy confectionery composition technology**. The patent is valid from when the application was submitted in August 2006. The technology allows sugars to be replaced with fibres, enabling functional ingredients such as vitamins to be added (**OTC *bulletin***, 11 June 2010, page 7).

■ **FDA** – the US Food and Drug Administration – has warned Americans not to purchase or take a "dangerous" product that is claimed to enhance male sexual performance called **Vigor-25**. The product is marketed as a "natural dietary supplement" and a "male sexual stimulant". However, the FDA said it had been found to contain sildenafil – the active ingredient in the prescription drug Viagra. "Sildenafil may interact with prescription drugs known as nitrates, including nitroglycerin, and can dangerously lower blood pressure," said the FDA. The regulatory body added it was investigating the reported death of a 26 year-old man, which could be connected with the use of Vigor-25. The product is distributed by Piston Corp.

OTC

Regulatory Affairs

French agency restricts infant cough medicines

Cough medicines containing antihistamines are to be contra-indicated for children under two years of age in France, following a risk-benefit analysis carried out by the country's medicines agency, AFSSAPS.

The measure, which takes effect on 15 March 2011, applies to the active ingredients chlorphenamine maleate, fenspiride, oxomemazine, pimethixene, and promethazine chlorhydrate.

Products affected by the move include Sanofi-Aventis' Rhinathiol Promethazine and Toplexil, Elerte's Fluisedal, Erempharma's Theralene, Novartis' Calmixene, Servier's Pneumorel and Therica's Teyssedre.

In April, AFSSAPS contra-indicated mucolytic medicines and products containing helicidine for children under two years of age, after a pharmacovigilance study identified a high proportion of adverse effects in children younger than one year old. A risk-benefit analysis of other cough medicines – particularly H1 antihistamines that block the cough reflex – was carried out in 2010.

Suppositories containing terpenic derivatives will also be contraindicated by AFSSAPS for children younger than 30 months due to the risk of febrile convulsion. This measure will also apply to any children with a history of febrile convulsion or epilepsy.

AFSSAPS has called for such products to be re-evaluated at the European level (see page opposite), and has also produced a leaflet and poster advising parents on how to treat cough in young children.

OTC

Switches

Germany to consider rizatriptan switch

Switching the migraine medicine rizatriptan – the active ingredient in Merck, Sharp & Dohme's Maxalt brand – from prescription-only to non-prescription status is on the agenda for the next meeting of Germany's Expert Committee for Prescription to be held on 11 January next year.

GlaxoSmithKline Consumer Healthcare led the way with Germany's first non-prescription triptan when it launched Formigran (naratriptan) more than four years ago (**OTC *bulletin***, 14 April 2006, page 1).

An application to switch almotriptan – the active ingredient in Bayer Vital/Almirall's Almogran, followed just over a year later (**OTC *bulletin***, 31 July 2007, page 12). Sumatriptan was proposed for non-prescription status last year (**OTC *bulletin***, 29 January 2009, page 17).

However, these switches have been held up by legal concerns about labelling that were brought up by Germany's federal institute for drugs and medical devices, BfArM.

Meanwhile, orlistat, the active ingredient of GlaxoSmithKline Consumer Healthcare's Alli weight-loss medicine, is back on the committee's agenda after a proposed switch for all 60mg formulations was postponed due to the need for greater legal clarity (**OTC *bulletin***, 30 July 2010, page 13).

The expert committee is to consider deleting the phrases "authorised by the European Commission" and "non-prescription" from the exemption from prescription-only status for "non-prescription medicines that have been authorised by the European Commission that have a maximum dose of 60mg per dosage form".

Such a move would effectively give all 60mg orlistat products – including potential generics – non-prescription status in Germany.

Another application aims to raise the non-prescription limit for vitamin D3 products from 1,000 to 2,000 international units per day.

OTC

IN BRIEF

■ **ALKALOID** said sales of its OTC products had increased by 3.6% to €12.0 million in the **first nine months** of 2010. OTC sales accounted for 20.5% of the Macedonian company's total pharmaceutical sales in the period, which grew by 8.2% to €58.5 million. Group sales also rose by 8.2% €70.1 million.

OTC

Joint Ventures

GNC joins up with PepsiCo

General Nutrition Centers (GNC) and PepsiCo have joined forces to launch a range of fortified coconut water products in the US.

The two companies have signed a joint-venture agreement to develop and sell the products under the newly-created Phenom brand.

The drinks will initially be sold exclusively at GNC's stores and its www.gnc.com website from the second quarter of next year. They will eventually be available at "other leading retail outlets" in the US.

Massimo D'Amore, chief executive officer of PepsiCo Beverages Americas, said Phenom was "perfectly positioned at the intersection of health and wellness and natural hydration".

"GNC is a strong brand and provides well recognised capabilities in the health and wellness space," continued D'Amore, adding that "Phenom will leverage these strengths in combination with PepsiCo's scale and leading coconut water know-how".

Joe Fortunato, GNC's chief executive officer, noted that this was the first time his company had joined forces with a leader in the food and beverage industry to introduce a new line of products. "Coconut water has been recognised as one of the fastest-growing categories in the beverage industry, and we believe this joint venture represents an exciting opportunity to launch a fortified and differentiated line of coconut water products," he said.

The two companies pointed out that coconut water was a "natural electrolyte beverage". "Formed naturally inside the shells of coconuts," they added, "it is also low in fat and calories and is a good source of vitamin C and heart healthy potassium."

PepsiCo's Global Nutrition Group

The announcement comes soon after PepsiCo established a Global Nutrition Group to help triple sales of its "good for you" brands – such as the sports nutrition range Gatorade – to US$30 billion (€22 billion) by 2020.

The group will focus on four key areas – dairy; functional nutrition; fruit and vegetables; and grains – with the aim of growing some of the company's existing brands before looking at opportunities to "develop new products and enter new categories".

PepsiCo's chief scientific officer Dr Mehmood Khan is in charge of the group.

OTC

Regulatory Affairs

Europe's CHMP reviews safety of suppositories

A safety review of suppositories containing camphor, pine oil, eucalyptus and other terpenic derivatives has been started by the European Union's Committee for Medicinal Products for Human Use (CHMP).

The CHMP said it was investigating "a potential increased risk of neurological disorders such as convulsions in children under three years of age receiving suppositories containing terpenic derivatives as adjunctive treatment during benign acute bronchial disorders or oropharyngeal congestive states".

Once the CHMP has assessed the benefit-risk balance, it will recommend whether marketing authorisations for suppositories containing terpenic derivatives should be maintained, changed, suspended or revoked.

The review was triggered by France under Article 31 of European Union Directive 2001/83/EC as amended (see page opposite).

The French medicines agency, AFSSAPS, plans to recommend that suppositories containing terpenic derivatives should not be used to treat infants aged under 30 months or older children with a history of epilepsy or convulsions.

The CHMP noted that its review followed assessments of the appropriate use of cough and cold medicines carried out by member states throughout Europe.

Terpenic derivatives covered by the CHMP's review include camphor, cineole, eucalyptus, niaouli, pine oil, terpine, terpineol, turpentine and wild thyme.

The review affects 55 products, including non-prescription medicines, in six member states.

OTC

Regulatory Affairs

Commission backs herbals procedure

The European Union's simplified procedure for registering traditional herbal medicinal products does not reduce access to Chinese or Indian Ayurvedic medicinal products, according to John Dalli, European Commissioner for health and consumer policy. Neither does it reduce access to products of companies with reduced financial capacity.

Responding to questions from Members of the European Parliament (MEPs), Dalli maintained that the simplified procedure facilitated the possibility to place specific traditional medicinal products on the European market, and did not introduce new requirements more burdensome than the ones following from the marketing authorisation procedures.

"On the contrary," Dalli insisted, "the aim of these rules is to safeguard public health and at the same time facilitate the free circulation of traditional herbal medicinal products within the European market."

According to two MEPs, no Chinese or Indian medicinal products had so far been registered using the simplified procedure. The MEPs wanted to know whether the Commission planned to amend Directive 2004/24/EC to make it more applicable to non-European herbal cultures before the transition period ended on 30 April 2011.

Noting that the simplified procedure was handled by member states, Dalli said the Commission did not have information on the products licensed by the member states. As a result, it did not know whether there had been applications and registrations for Chinese or Indian products, he added.

Replying to a question about the independence and expertise of the members of Europe's Committee for Herbal Medicinal Products (HMPC), Dalli said Article 63 of Regulation 726/2004 established the rules to avoid conflicts of interest and ensure objectivity of the members of the committees involved in the authorisation of medicinal products. These rules also applied to the members of the HMPC, Dalli commented.

OTC

IN BRIEF

■ **UK RETAILER Poundworld** has been fined £5,000 (€5,850) and ordered to pay costs of £9,000 for selling faulty digital thermometers and other non-compliant medical devices.

OTC

Launches

Perrigo now has store-brand of Bayer's Aleve Liquid Gels

Perrigo said it had launched a store-brand version of Bayer HealthCare's Aleve Liquid Gels OTC analgesic in the US.

The store-brand specialist believes it is the first company to offer a generic OTC version of the softgels containing 220mg naproxen sodium.

Quoting data from market researcher Information Resources, Perrigo said Aleve Liquid Gels had annual sales of approximately US$80 million (€61 million).

Joseph Papa, Perrigo's chairman and chief executive officer, said the launch was "another example of Perrigo's commitment to bring new products to market".

New products generated US$70 million of the US$195 million rise in Perrigo's Consumer Healthcare sales in the year ended 26 June 2010 (**OTC *bulletin***, 10 September 2010, page 8). Consumer Healthcare's sales finished up by 12% to US$1.83 billion.

Commenting on launch plans, Papa said Perrigo was looking forward to introducing a store-brand version of Sanofi-Aventis' allergy medicine Allegra (fexofenadine) as soon as possible.

Naproxen sodium softgels are the latest store-brand offering from Perrigo in the US

Sanofi-Aventis applied in March to switch Allegra from prescription-only to OTC status in the US (**OTC *bulletin***, 14 May 2010, page 8), and Papa expects the French company to have OTC Allegra on the market "sometime in March 2011".

In July, Perrigo acquired exclusive rights to sell and market store-brand OTC Allegra from Teva Pharmaceutical Industries (**OTC *bulletin***, 30 July 2010 page 19).

OTC

Product Recalls

McNeil recalls more products in US

McNeil Consumer Healthcare has recalled several more OTC medicines in the US, including products sold under the Benadryl, Motrin, Rolaids and Tylenol brands.

The news follows a series of product recalls and suspension of production at the Johnson & Johnson subsidiary's Fort Washington manufacturing facility in the US. As a result, US sales by Johnson & Johnson's OTC & Nutritionals business are expected to decline by US$600 million (€455 million) in 2010 (**OTC *bulletin***, 29 October 2010, page 4).

McNeil stressed that the latest recalls were at the wholesale and retail level, and no action was required by consumers

Labelling needs updating

Three Tylenol Cold Multi-Symptom liquid products have been recalled to update the labelling. McNeil said it had initiated the recall after an internal review revealed that information about the presence of alcohol from flavouring agents was noted as an inactive ingredient listed on the package, but not on the front panel of the product.

One product lot of Rolaids Extra Strength Softchews has been recalled following "consumer complaints of an uncharacteristic consistency or texture". Noting that this had been traced to crystallised sugar in the product, McNeil pointed out that the affected product had been manufactured by a third party.

Meanwhile, all product lots of Children's Benadryl Allergy Fastmelt Tablets in cherry and grape flavours that were distributed in the US, Belize, Barbados, Canada, Puerto Rico, St Martin, and St Thomas have been recalled, as have all the product lots of Junior Strength Motrin Caplets in 24 count packs that were distributed in the US.

These recalls were initiated after a review revealed "insufficiencies in the development of the manufacturing process", said McNeil, adding that there was "no indication that the recalled products do not meet quality standards".

In October, the company announced a voluntary recall of one lot of its 50-count bottles of Tylenol 8 Hour caplets (**OTC *bulletin***, 29 October 2010, page 4).

OTC

the real evidence that

GPs

are recommending OTC brands

81%

of GPs are asked by patients for recommendations of OTC pain relief medicines at least a few times a month, and 23% are asked on a daily basis*

75%

of GPs are asked by patients for recommendations of OTC cough/cold/sore throat medicines at least a few times a month, and 15% are asked on a daily basis*

To discuss how you can engage GPs (and/or hospital doctors) with your key messages, contact simon.grime@mess.doctors.org.uk, and quote OTC2 to get the full research document, free of charge.

Doctors.net.uk

for doctors, by doctors

* Source: MedeConnect Healthcare Insight, part of the Doctors.net.uk group, survey of 1,011 GPs, July 2010

"The portable way to carry Bach Original Flower Remedies" is how Nelsons is positioning its new Leather Wallet Remedy Set in the UK.

The natural healthcare specialist said the "cleverly designed" set was "light" and "ideal for practitioners visiting clients or those who want to have remedies to hand on the go".

The set, which displays Dr Bach's golden signature, contains 20ml bottles of all 38 Bach Original Flower Remedies plus two 20ml packs of Bach Rescue Remedy.

Nelsons pointed out that the wallet had individual elastic bands that held the remedies securely in place so they could be transported safely. It added that the bottles were in alphabetical order and were therefore easy to find during consultations.

The Leather Wallet Remedy Set has a recommended retail selling price of £184.59 (€217.24). It joins the 10ml Introduction Set Box and 20ml Professional Wooden Set Box (OTC *bulletin*, 13 June 2008, page 15).

The company commented that the launch demonstrated its commitment to offering a full range of set box options.

Nelsons has just launched a Bach online course that provides consumers with an insight into its "system" of products with advice on how natural healthcare could help them, their families and their friends when they were feeling under pressure (OTC *bulletin*, 16 November 2010, page 21).

OTC

Switches

Pfizer launches tixocortol into France's OTC market

Pfizer has launched a non-prescription medicine containing the corticosteroid tixocortol in France under the Thiovalone brand name.

The move follows the switch of tixocortol solution in France from prescription-only to non-prescription status in December 2009. The government imposed three conditions on the switch: the concentration of the active ingredient in the solution must not exceed 0.33%; each individual spray must not exceed 0.6mg; and the total quantity of tixocortol per pack must not be no more than 40mg.

Launch pharmacy-press advertising for Thiovalone in France features a superhero battling sore throats

Thiovalone, which is positioned as an advisory product, is a non-reimbursable medicine supplied in a 12ml bottle containing 66 doses. It features a directional nozzle, which allows precise application of the spray, and can be used to treat sore throat and mouth sores in adults and children over six years of age.

In addition to the anti-inflammatory tixocortol, Thiovalone also contains the antiseptic chlorhexidine. It should be sprayed once or twice per application, three or four times per day.

Pharmacy-press advertising for Thiovalone features a female superhero dressed in the blue and yellow colours of the product's logo. Her symbol is the 'swirl' shape used in place of the letter 'e' on the product logo, and she carries two bottles of Thiovalone as weapons. She crouches behind a bottle of the product firing its spray at a sore throat.

An accompanying slogan encourages sufferers of sore throat to "pulvérise la mal de gorge", or "pulverise sore throat". The slogan features a pun, as the word "pulvérise" is also French for "spray".

The product's recommended retail selling price without tax is €3.23.

Pfizer also markets the prescription-only nasal spray Pivalone, which contains tixocortol at a strength of 1%.

OTC

Marketing Campaigns

T&R backs Derma with eczema leaflet

Thornton & Ross is backing its new T&R Derma division in the UK with a consumer leaflet on treating childhood eczema.

Called 'What is eczema? A parent/carer's guide to the condition and its treatments', the free leaflet is accredited by the National Eczema Society (NES). It includes an introduction to eczema, and provides consumers with information about the different treatments available, including moisturisers and steroid ointments and creams.

Thornton & Ross said the leaflet provided enough information to allow parents and carers to make an informed choice about treatment, which they could then discuss with a healthcare professional.

Rebecca Penzer, a specialist dermatology nurse who wrote the leaflet, said it was likely to be welcomed by parents whose child had recently been diagnosed with eczema. The leaflet "emphasises to parents that they can make a big difference to their child's eczema by finding suitable treatments", she added.

Thornton & Ross recently launched T&R Derma in the UK (**OTC *bulletin***, 10 September 2010, page 18) with a new emollient cream called Aquamol as well as the existing Zeroderma portfolio of products acquired last year (**OTC *bulletin***, 30 October 2009, page 9).

OTC

A leaflet on childhood eczema has been produced by Thornton & Ross

Marketing Campaigns

Reckitt makes sex magical in a global Durex campaign

Magical sex rather than safe sex is the focus of a new global advertising campaign for the Durex condom brand, which has just been acquired by Reckitt Benckiser.

McCann Manchester, the agency behind the advertising, said the campaign introduced the first-ever brand signature for Durex. The "Love Sex. Durex" signature "encompasses everything about the brand in three easily understood words that require no translation across markets", commented the agency, adding "it is an extremely powerful property which works across channels and across regions".

The brand signature, together with the campaign, "marks a strategic shift away from safe sex to more magical sex", the agency remarked.

The campaign, which includes television, print and digital advertising, is initially running in Bulgaria, Croatia, Hungary, Italy, Lebanon, Poland, Serbia, Spain and the UK. According to the company, there had already been positive results in Spain, which was the first market to go live with the campaign.

In the UK, the television commercial is based around a man and a woman who meet in a nightclub. After flirting and dancing, they go home together and kiss passionately.

A voiceover points out that "It's magical when you can feel more". As the couple embrace, a condom floats out of the man's back pocket and into the woman's hand. "For a more natural skin on skin feeling," advises the voice-over, "try Durex RealFeel condoms."

Packs of Durex Fetherlite Ultra, Durex RealFeel and Durex Deluxe appear, followed by the sign-off message "Love Sex. Durex".

Commenting on the commercial, Richard Smith, global marketing manager for Durex, pointed out that it had been the "best-ever scoring Durex television advertisement in pre-testing". "It clearly has the potential to help shift perceptions of the Durex brand," he insisted.

Reckitt Benckiser has just gained the Durex and Scholl 'powerbrands' after purchasing SSL International in a deal worth £2.54 billion (€2.97 billion) (**OTC *bulletin***, 30 July 2010, page 1).

The company has created a new Sexual Wellbeing and Footcare category containing Durex and Scholl, which will be led by former SSL group marketing director Volker Sydow (**OTC *bulletin***, 16 November 2010, page 27).

Change of global agency for Durex

Meanwhile, Reckitt Benckiser has just named Euro RSCG Worldwide as its global creative agency for Durex and Scholl. The transition will take place over the next three to six months.

"Love Sex. Durex" is the theme of Reckitt Benckiser's new global television commercial for the condom brand

Euro RSCG was appointed the sole global creative agency for Reckitt Benckiser in 2006 (**OTC *bulletin***, 30 June 2006, page 14).

McCann Manchester said it was too early to say whether the new commercial would be used after the handover period.

OTC

Marketing Campaigns

Mom Squad spreads Zicam message

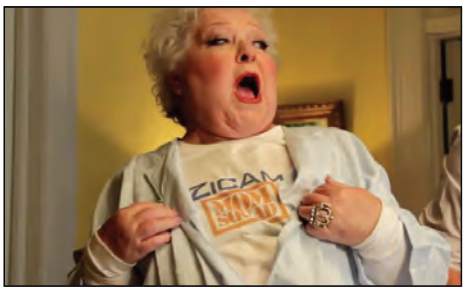
Matrixx Initiatives is supporting its Zicam Cold Remedy products with an online video to "dispel the myths Americans have long harboured about treating the common cold".

Available at www.fightcoldmyths.com, the "lighthearted" video is part of an educational campaign from Matrixx Initiatives to help consumers stay healthy this winter and get rid of colds faster.

The video is based around the "hilarious adventures" of the Zicam Mom Squad, which comprises three women who have previously acted as "iconic television moms" in popular shows during the past few decades. Florence Henderson was in The Brady Bunch, Meredith Baxter was in Family Ties, and Estelle Harris was in Seinfeld.

The moms visit a number of cold sufferers trying to cure themselves with different myths – such as eating garlic and sweating the cold out – and come to the rescue with a pack of Zicam Cold Remedy.

Matrixx is backing its Zicam Cold Remedy products in the US with a humorous online video



The video ends with a pack of Zicam Cold Remedy RapidMelts and the taglines "Listen to the Mom Squad. At the first sign of a cold, take Zicam!" and "Get rid of your cold faster".

In addition, Matrixx Initiatives has teamed up with health expert Dr Andrea Pennington, who will use media interviews and online articles to provide consumers with practical tips on defending themselves and their families this cold and flu season. She will also offer advice on sensible strategies that encourage wellness throughout the year.

A recent public relations campaign by the company highlighted consumer research which had found that the majority of Americans were misinformed about the causes of colds and how to treat them (**OTC *bulletin***, 16 November 2010, page 20).

OTC

Launches

GNC claims supplements help Americans age well

A range of dietary supplements that "empowers consumers to age well" has just been launched in the US by General Nutrition Centers (GNC).

The nutritional products retailer said that its Longevity Factors range comprised seven "breakthrough formulas" that enabled consumers to "proactively influence their health destiny". The "unique" products could "positively affect cells" and could "activate healthy genes", maintained GNC.

The range comprises Cellular Antioxidant Defense, Energy Enhancer, Eye Health, Healthy Aging Program, Heart Health, Memory Formula, and Strength & Agility formulas.

GNC said the launch of Longevity Factors was "a direct response to the scientific premise that every individual has the power to influence one's own health destiny". It developed the range with health expert Dr Joseph Maroon.

The retailer noted that the supplements featured "clinically-tested ingredients to support health", as well as "bioavailability enhancement technology to improve the absorption of a key antioxidant that is important for healthy cell ageing". The supplements helped consumers "feel as young as they envision themselves" by supporting "very specific aspects of ageing", it added.

The Healthy Aging Program, for example, is described on the packaging as a complete programme to support six key elements of healthy ageing. Straplines point out that the pack includes a "clinically-researched multivitamin to enhance wellbeing", "triple strength fish oil to support heart, joint and eye health", "500mg of resveratrol for cell-aging defense", and a "memory formula to support memory health". The pack contains 30 sachets, each providing a daily dose of six capsules.

Healthy Aging Program is one of seven dietary supplements just launched in the US under GNC's new Longevity Factors banner

Meanwhile, the Cellular Antioxidant Defense formula carries the on-pack claim "Fight premature cell aging".

Recommended retail selling prices for the seven dietary supplements range from US$29.99 (€22.00) to US$59.99.

OTC

IN BRIEF

■ **BAUSCH & LOMB** is amending the product labelling for its Renu Fresh multi-purpose contact lens solution worldwide to recommend a **"rub and rinse"** care and cleaning regimen. The transition from "no rub" to "rub" would be completed in the US by May 2011, the company noted. The rub and rinse regimen has been recommended by the US Food and Drug Administration (FDA) and eyecare professionals to promote ocular health. Bausch & Lomb said the action with Renu Fresh was part of an ongoing initiative to encourage consumers to follow a "rub and rinse" regimen when using its multi-purpose contact lens solutions. Noting that the product labelling transition had been underway since the start of this year, Bausch & Lomb said labelling for its Biotrue and Renu Sensitive multi-purpose contact lens solutions already instructed consumers to rub and rinse.

■ **MCNEIL CONSUMER HEALTHCARE** is backing its **Zantac heartburn medicine** in Canada with a Chili Challenge. The company noted that chili was a traditional comfort food but was avoided by many people for fear of suffering from heartburn. To take part in the challenge, which is now in its third consecutive year, consumers have to submit their best chili recipes to www.chilichallenge.ca. Visitors to the website can then vote for their favourite. The three highest-scoring recipes from each region of Canada – central, eastern and western – will then take part in a cook-off in their region to be judged by celebrity chef Anthony Sedlak. The next round will see one finalist from each region compete against the undefeated champion of the Zantac Chili Challenge, Mike Callaghan, in Toronto.

OTC

Relaunches

Urgo refreshes Humex in France

Laboratoires Urgo has updated the packaging of its Humex cough, cold and flu remedies in France with a bold colour scheme and a modernised logo.

The company has also extended the range with a cough medicine containing the expectorant carbocisteine. The sugar-free formulation with a caramel vanilla flavour comes in single-dose sachets.

Urgo said it would support the revamped Humex range this winter with a strong media campaign in France, including four new television commercials.

The new packs are colour-coded with a red background for cold treatments, purple for flu remedies and bright yellow for sore throat products. Each pack carries the new-look Humex logo, which has bolder lettering but retains the previous colour scheme of white text against a blue background.

Highlighting the power of the Humex brand this winter, pharmacy-press advertising says the new packs are designed to be clearer to read, with a more visible listing of the product's indications.

Packaging for the Humex cold remedy emphasises the fact that the product can be used throughout the day and night. A semi-circular symbol divided into four segments depicts three tablets for daytime and one capsule for night. This symbol is more colourful than the design used previously, and will also be displayed on the top of the pack as well as the front.

Urgo has colour-coded its Humex range of cough, cold and flu medicines in France

OTC

Thornton & Ross is backing its recently-acquired Metanium nappy-rash ointment with an online baby and toddler club in the UK.

Members can take advantage of a free booklet offering "hints and tips on dealing with nappy rash", and a "busy week chart". In addition, they can receive news, information and offers from Metanium, as well as a personalised birthday card for their baby's first birthday.

The club, which is available on the brand website at www.metanium.co.uk, is free to join.

More than 300 members had joined the club, noted Thornton & Ross, adding it was "an additional resource for pharmacists looking to provide extra information for parents".

Thornton & Ross acquired Metanium for £2.0 million (€2.4 million) from William Ransom & Son earlier this year (OTC *bulletin*, 20 January 2010, page 3).

OTC

Novartis Consumer Health is backing its Nicotinell nicotine-replacement therapies in the UK with a television and press advertising campaign over the New Year.

The company is running its established television commercial based on the theme "Crave life, not cigarettes" from January until March.

Created by the agency Euro RSCG Worldwide, the commercial is based around a man and a woman who carry a pack of Nicotinell gum around with them as they go about their day. They then meet up at an evening party and the woman takes the gum.

A Novartis spokesperson said similar commercials would run in Denmark, Finland, Norway and Sweden.

In the UK, Nicotinell will also be supported with in-store activity as well as a new "more interactive" website.

OTC

Line Extensions

Flexitol introduces socks for dry and cracked heels

Active gel sleeves for treating dry, cracked heels are the latest addition to Laderma Health's Flexitol footcare brand in the UK.

Laderma pointed out that new Flexitol Active Gel Heel Sleeves featured a "unique continuous release gel that migrates to the surface of the sock to provide intense hydration for dry, cracked feet".

In a clinical trial involving 40 men and women, added Laderma, a 66% reduction in dryness had been seen in two weeks.

A Class I medical device, the sleeves take the form of toeless socks with a circle of gel in the heel area. Laderma said the gel contained grapeseed oil to help soothe away dryness and irritation, olive oil to moisturise and restore the skin's pH balance, jojoba oil to help heal, and vitamin E to reduce water loss and strengthen the skin's barrier function.

Flexitol Active Gel Heel Sleeves have a recommended retail selling price of £9.95 (€11.65) for a pair. Straplines on the packaging point out that the product has a "unique moisturising gel technology" that provides "gradual release of intensive moisturising oils". They also highlight that the product is "fast acting" and "suitable for general and diabetic foot care".

People suffering from dry and cracked heels should wear the sleeves for 30 minutes as needed or overnight, said Laderma, adding that the sleeves should be replaced after 40 treatments. The sleeves should be handwashed with mild soap and left to dry naturally, the firm noted.

Laderma pointed out that the sleeves had non-skid soles, were silicone-free and the oil-based gels did not grow bacteria.

The sleeves are already stocked in Sainsbury's supermarkets, and will soon be available from Boots.

Moisturising socks for dry heels are now available under the Flexitol brand in the UK

Meanwhile, Laderma has revamped its Flexitol Heel Balm in the UK with a new look and an improved formula.

Flexitol Heel Balm is still based on 25% urea together with lanolin, petrolatum and sodium PCA. However, it now also contains provitamin B5, allantoin, glycolic acid, tea tree oil, l-arginine, shea butter, aloe vera and *Centipeda cunninghamii*. The latter is a plant native to Australia which has antibacterial, antifungal and skin nourishing properties.

Laderma's products have been on sale in the UK for almost a decade, and the Australian company has just set up a subsidiary in the UK.

In 2011, Laderma plans to introduce a number of new products in the UK, including a nail revitaliser gel, callous cream, heel magic and blemish kit.

Laderma's products are available in more than 50 countries.

OTC

Lanes Health has teamed up with Georgia-Pacific to launch a box of Lotus Olbas branded facial tissues to accompany the existing pocket packs in the UK.

The box is designed for the "at home consumer", while the pocket pack is aimed at the "on-the-go consumer" looking for convenience.

"As with the pocket pack," said Georgia-Pacific, "the new product combines the softness of Lotus facial tissues with the benefits of tiny capsules of oil from the makers of Olbas."

Georgia-Pacific noted that the tissues offered added value because consumers no longer had to make two separate purchases.

Furthermore, added Georgia-Pacific, "impregnating individual tissues with oil capsules also means that the tissue box can be shared safely with no issues regarding hygiene, unlike many alternative products such as inhalant devices or sprays".

The launch will be supported by a public relations campaign, which will be based around the idea of "take a deep breath" and will include "get-away" themed competitions. The company said it would target Sunday newspapers and supplements, women's publications and regional radio stations. There will be sampling activity from January 2011.

The box of 80 tissues retails at £2.29 (€2.70), while the pocket packs are priced £0.59 for a single tissue and £1.53 for a pack of six.

Straplines on the box highlight that users should "crush tissues" to "release vapours".

OTC

Launches/Marketing Campaigns

Pfizer extends Advil with a decongestant in the US

"The right sinus medicine for the real problem" is how Pfizer Consumer Healthcare is positioning a new addition to its Advil range of ibuprofen-based medicines in the US.

Pointing out that "the real sinus problem isn't always mucus", Pfizer said Advil Congestion Relief "directly treats what is often the real cause of congestion – swelling due to nasal inflammation".

The company added that the newcomer combined the "power of Advil plus an effective decongestant". Each pill contains 200mg ibuprofen plus 10mg phenylephrine.

Packaging highlights that the medicine provides "Non-drowsy relief of sinus pressure, nasal swelling & congestion, and headache".

Pfizer is backing the launch with television advertising and public relations activity.

For Black Friday, the big shopping bonanza following Thanksgiving Day, Pfizer provided some shoppers with "literal congestion relief" in the form of a personal helper. One hundred shoppers who texted the company from selected malls in Atlanta, Chicago, Dallas, New Jersey and San Francisco received their own "decongester", who waited in long lines for them, ran mall errands for them, and carried heavy shopping bags for them.

In addition, one winner from each city received a gift card worth US$1,000 (€733).

A decongestant medicine containing ibuprofen and phenylephrine is Pfizer Consumer Healthcare's latest addition to its Advil brand in the US

Suitable for adults and children aged over 12 years, Advil Congestion Relief is supplied in a pack of 10 tablets with a recommended retail selling price of US$7.89, and a 20-count pack that retails at US$10.99. A pack of 40 tablets is also available at club stores.

Consumers should take one tablet every four hours and no more than six a day.

Pfizer already offers Advil Cold & Sinus, which combines ibuprofen with the decongestant pseudoephedrine. However, pseudoephedrine-containing medicines are subject to sales restrictions in the US.

OTC

Marketing Campaigns

Reckitt supports Senokot Comfort

"Feel happy inside" is Reckitt Benckiser's promise to Britons in launch television advertising for Senokot Comfort in the UK.

Created by the agency Euro RSCG, the commercial features an uncomfortable-looking celebrity who suffers from constipation on a plane. "When you're constipated you can also worry about pain when you do go," states a voiceover.

After taking Senokot Comfort, however, the woman appears relaxed as she lies back in her seat while the tablets get to work.

"New Senokot Comfort is the UK's only 100% natural combination of laxative and softener," the voiceover continues, adding that "it makes going more comfortable".

Now wearing a formal dress, the woman steps off the plane into a crowd of photographers. "100% natural comfortable relief. Only from Senokot Comfort," says the voiceover.

The commercial ends with a shot of a pack of Senokot Comfort and the sign-off message "Feel happy inside".

A general-sales list (GSL) medicine, Senokot Comfort was launched earlier this year backed by the claim "the UK's only formulation made from 100% natural ingredients to offer relief from both constipation and painful stools in one remedy".

Senokot Comfort tablets have 105mg senna leaf, 25mg rhubarb extract, 50mg purified sulphur and 180mg wood charcoal.

Packaging carries the strapline "Softens stools for a more comfortable way to go to the toilet".

Suitable for adults and children aged over 12 years, Senokot Comfort comes in packs of 20 tablets with a recommended retail selling price of £4.99 (€5.89).

Television advertising is part of Reckitt Benckiser's launch marketing support for new Senokot Comfort tablets in the UK

Consumers should take one to two tablets during or after meals.

Reckitt Benckiser also offers Senokot Dual Relief, Senokot Max Strength, Senokot Tablets and Senokot Syrup for constipation relief.

OTC

Market Research

German companies expect to see Alliance Boots brand

Almost three-quarters of German pharmaceutical executives believe that Alliance Boots' acquisition of a majority holding in the country's third-largest wholesaler, Anzag, has paved the way for the UK-based group to establish an own-label brand in Germany.

When management consultants Sempora asked a panel of 49 prescription, OTC and diagnostics executives to react to the statement "Boots will establish an own-label brand through wholesaling and the Vivesco co-operation concept", 74% agreed and only 6% disagreed. A fifth were unable to decide.

The survey was carried out in October, shortly after Alliance Boots announced it was paying around €143 million to add a 51.65% stake in Anzag to its existing 29.99% holding (**OTC *bulletin***, 29 October 2010, page 1).

Through its wholesaling activities and its 1,100-strong Vivesco virtual pharmacy chain, Anzag reported a pre-tax profit of €40 million on a turnover of €4.2 billion in the year ended 31 August 2010.

A spokesperson for Alliance Boots told **OTC *bulletin*** at the time that one option would be to bring the Vivesco operation under its Europe-wide Alphega Pharmacy virtual pharmacy banner. Alliance Boots is also keen to introduce Boots-branded products in Germany.

However, the company's plans were at an early stage, stressed the spokesperson, adding that discussions would be held with Anzag's management once the deal had been completed in three to five months.

Sempora also asked 106 German community pharmacists whether they felt pharmacies that were Anzag customers, or were part of Anzag's Vivesco virtual pharmacy chain, would benefit from a Boots-branded range. Just over a quarter said they would, but almost half saw no benefit. A quarter of them were undecided.

Industry executives and pharmacists were divided over whether the Vivesco programme would benefit from Alliance Boots' professionalism and its category-management expertise. Three-fifths of executives saw a clear benefit, but only 28% of pharmacists felt the same.

Two-thirds, 65%, of industry executives were indifferent to Alliance Boots taking over Anzag, and 19% were opposed to the deal. Only 16% welcomed the deal.

One in two pharmacists oppose the deal

By contrast, 53% of pharmacists were opposed to the transaction, while 24% were neutral. Only 22% welcomed the deal.

However, 59% of pharmacists and 65% of executives believed the takeover would increase competition in Germany's pharmacy market.

Among the executives, two-thirds thought Alliance Boots would benchmark wholesaler acquisition prices at the pan-European level. Just over half anticipated Anzag placing greater pressure on them regarding conditions, while slightly more than a third felt that manufacturers would have to adopt a different approach to wholesalers.

Fewer than one in four expected Anzag to lose market share following the deal.

■ For further details contact Tobias Brodtkorb, managing partner, Sempora Consulting (Tel: +49 6172 45349 30; Fax: +49 6172 45349 49; E-mail: t.brodtkorb@sempora.com).

OTC

Marketing Campaigns

Walgreens works with Orbitz in US

Retailer Walgreens has teamed up with the travel firm Orbitz Worldwide in the US to launch an educational campaign to keep travellers healthy.

As part of the year-long initiative, shoppers at Walgreens will be able to take advantage of exclusive hotel and travel deals from the Orbitz website, www.orbitz.com. In return, Orbitz customers can benefit from special offers on products and services at Walgreens' stores.

It also includes public relations activity highlighting consumer research and offering health tips such as having a seasonal flu shot, getting enough sleep and exercising regularly.

The initiative is expected to "help improve the holistic travel experience for individuals and families" by raising awareness of preventive healthcare measures and the need to seek advice from a healthcare professional.

OTC

IN BRIEF

■ **MCNEIL PRODUCTS** is backing **Migraleve** in the UK with a public relations campaign offering tips to consumers on how to tackle migraines this Christmas. The company said research had found that more than half of migraine sufferers had previously had a Christmas day spoilt by the condition. Tips include limiting alcohol intake, drinking plenty of water, avoiding excessive consumption of trigger foods, and taking medication at the first sign of a migraine. McNeil suggests Migraleve Ultra containing sumatriptan for acute relief of migraine headaches, and Migraleve Complete containing buclizine, codeine and paracetamol for migraine headaches, nausea and vomiting.

■ **MCNEIL PRODUCTS** is supporting **Imodium** in the UK this winter with a public relations campaign advising consumers on how to tackle norovirus, the so-called winter vomiting bug. The company advises consumers to take Imodium Plus Caplets, which are said to "offer effective relief from symptoms of diarrhoea whilst calming painful stomach cramps and bloating". Other tips include washing hands thoroughly, having a clean kitchen and bathroom, and drinking plenty of fluids. The tips were developed with irritable bowel syndrome charity the Gut Trust.

OTC

Principle Healthcare is looking to back its BioCalth food supplement with a nationwide bone-density screening programme in the UK following a "highly successful" trial.

The company said 24 people had been tested in a series of 10-minute sessions at a pharmacy in Middlesex (pictured above), and 13% were found to be at a possible high risk of fracture.

Describing the supplement as "a valuable ally in the battle against osteoporosis", Principle Healthcare said the screening initiative would help raise awareness of the condition and "highlight the unique bone-building properties" BioCalth offered. BioCalth is claimed to be the only European product containing calcium L-threonate.

OTC

JANUARY

20 January

■ **Herbal Products After 2011**

London, UK

A one-day seminar organised by the British Herbal Medicine Association (BHMA) and the Royal Pharmaceutical Society (RPS). It will focus on the end of the transitional period for the European Union's traditional herbal medicinal products directive, and will explore the borderline between medicines, foods, cosmetics and medical devices.

***Contact**: Royal Pharmaceutical Society (RPS).*
Tel: +44 20 7572 2737.
Fax: +44 20 7735 7629.
E-mail: support@rpharms.com.
Website: www.rpharms.com.

26 January

■ **Homoeopathic Medicines**

Bonn, Germany

Speakers from Germany's federal institute for drugs and medical devices, BfArM, will be at this one-day conference run by Germany's medicines manufacturers' association, the BAH. It will be conducted in German.

***Contact:** BAH.*
Tel: +49 228 957 45 0.
Fax: +49 228 957 45 90.
E-mail: bah@bah-bonn.de.
Website: www.bah-bonn.de.

26 January

■ **Marketing Authorisation in Turkey**

Frankfurt, Germany

Classification and pharmacovigilance in Turkey are on the agenda for this one-day conference.

***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.

27-28 January

■ **Latest Developments in Pharmacovigilance**

London, UK

A two-day event focusing on developments in Europe and the US.

***Contact:** Management Forum.*
Tel: +44 1483 730071.
Fax: +44 1483 730008.
E-mail: registrations@management-forum.co.uk.
Website: www.management-forum.co.uk.

FEBRUARY

3 February

■ **Basics of Regulatory Affairs**

London, UK

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.

8 February

■ **Introduction to Medicines Law**

Bonn, Germany

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

***Contact**: BAH.*
Tel: +49 228 957 45 0.
Fax: +49 228 957 45 90.
E-mail: bah@bah-bonn.de.
Website: www.bah-bonn.de.

10 February

■ **The Pharma Summit 2011**

London, UK

This event will look at 'Reinventing pharma for a new generation'.

***Contact**: Economist Conferences.*
Tel: +44 20 7576 8116.
Fax: +44 20 7576 8472.
E-mail: weurope_customerservice@economist.com.
Website: www.economistconferences.com.

17-18 February

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

London, UK

Countries to be discussed at this two-day conference include Bahrain, Iran, Israel, Saudi Arabia, Syria and Yemen.

***Contact:** Management Forum.*
Tel: +44 1483 730071.
Fax: +44 1483 730008.
E-mail: registrations@management-forum.co.uk.
Website: www.management-forum.co.uk.

22-23 February

■ **Variations Regulation**

Bonn, Germany

Peter Bachmann and Cornelia Nopitsch-Mai from Germany's federal institute for drugs and medical devices, BfArM will speak at this two-day conference. Each day can be booked separately.

***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.

1-2 February

■ **What Regulation for Food Supplements and Herbal Medicinal Products in Europe?**

Brussels, Belgium

This two-day meeting is organised by the Association of the European Self-Medication Industry, the AESGP.

There will be sessions entitled: 'Implementation/enforcement of the nutrition and health claims regulation'; and 'A single market for herbal medicines in Europe?'.

Speakers will include: Dagmar Roth-Behrendt of the European Parliament; Basil Mathioudakis and Paola Testori-Coggi of the European Commission; Vittorio Silano of the European Food Safety Authority (EFSA); and Ioanna Chinou of the European Medicines Agency's Committee on Herbal Medicinal Products (HMPC).

***Contact**: AESGP.*
Tel: +32 2 735 51 30. Fax: +32 2 735 52 22. E-mail: l.gits@aesgp.be.
Website: www.aesgp.be.

24 February

■ **Hot Topics in Advertising**

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

***Contact**: MHRA.*
Tel: +44 20 3080 6903.
E-mail: mhraconferences@mhra.gsi.gov.uk.
Website: www.mhra.gov.uk.

28 February-1 March

■ **EuroPLX 45**

Lisbon, Portugal

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.

MARCH

10-12 March

■ **CHPA Annual Executive Conference**

Aventura, Florida, US

The Annual Meeting of the US Consumer Healthcare Products Association (CHPA) is only open to members.

***Contact:** Phyllis Taylor, CHPA.*
Tel: +1 202 429 9260.
Fax: +1 202 223 6835.
E-mail: ptaylor@chpa-info.org.
Website: www.chpa-info.org.

22-23 March

■ **Regulatory Affairs in India and China**

Frankfurt, Germany

Day one of this two-day seminar will discuss regulatory affairs, clinical trial regulation and variations in India, while day two will focus on China. Each day can be booked separately.

***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.

28-30 March

■ **DIA Annual EuroMeeting**

Geneva, Switzerland

A three-day conference organised by the Drug Information Association (DIA). Wider access including generics and self-care medicines will be one of the 15 parallel sessions at the conference.

***Contact:** DIA European Office.*
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JUNE

8-10 June

■ **47th AESGP Annual Meeting**

Rome, Italy

The Annual Meeting of the Association of the European Self-Medication Industry, the AESGP. More details will be available soon.

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Ceuta steps into new territories

Ceuta Healthcare has big ambitions outside its home market of the UK. Its global outsourcing alliance for health and beauty has just been joined by a global consulting business, and a third venture with international potential will be unveiled at the beginning of 2011. Deborah Wilkes reports.

Access to more than 85 countries on five continents was now available through the Ceuta International Alliance, according to Peter Burrows, director of international business development at Ceuta Healthcare. The next step for the health and beauty outsourcing alliance, commented Burrows, was to expand into India, Pakistan and South America.

This time last year, Burrows told the fourth annual conference of the alliance that the Ceuta International Alliance was close to signing a major player in Asia (**OTC *bulletin***, 16 November 2009, page 25). DKSH, which is one of Switzerland's top 20 companies with an annual turnover of SFr8.6 billion (€6.5 billion), is now a member of the alliance.

Charles Toomey, executive vice-president of DKSH's Healthcare business unit, told the alliance's fifth annual conference held earlier this month that the company was the "only integrated healthcare service provider in Asia". "DKSH has 140 years of knowledge in marketing western and eastern brands to the many Asian nationalities," stated Toomey.

Epien Medical's Oralmedic mouth-ulcer treatment has been launched in 30 countries through the Ceuta International Alliance

Toomey pointed out that DKSH operated in 11 countries in Asia, including China, Indonesia, Malaysia, Myanmar, Singapore and Vietnam. It had 18 distribution centres, 260 clients and more than 180,000 customers in the region, he noted, adding that brands currently under its management included Aspirin, Imedeen, Nurofen, Panadol, Pharmaton and Strepsils.

Discussing DKSH's reasons for joining the alliance, Toomey said the opportunity to work with Procter & Gamble had been a key attraction. DKSH was now driving Procter & Gamble's white space brand expansion in Asia, he remarked.

Ceuta is now building on the Ceuta International Alliance by setting up a global consulting business called the Ceuta Capability Group (CCG). Unveiling the group in September, chief executive officer David Coles, formerly of Alliance Boots, said CCG aimed to be the "leading global provider of outsourced management expertise for the healthcare industry" (**OTC *bulletin***, 29 September 2010, page 26).

Go-to-market strategies

Explaining its reasons for setting up CCG, Ceuta noted that it had provided consultancy as an added-value service for the past 15 years, and had now formalised this offering. 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.

Typical client briefs, according to Coles, might involve CCG identifying the most important countries in Europe for a product launch or evaluating the opportunities in a particular distribution channel.

Coles pointed out that the CCG team also included Dr Dave Richards, formerly of Oracle, and Susan Rockhill, formerly of Alliance Boots. He added that CCG could tap into the expertise of alliance partners in various countries and regions of the world – including Asia-Pacific, Australasia, Europe, the Middle East and the US – as well as a team of consultants.

Official launch in 2011

Meanwhile, Ceuta is currently putting the final touches to an internet-based initiative, which will be officially launched in the UK in early 2011. Edwin Bessant, Ceuta's chief executive officer, believes the venture could be expanded across Europe over the next three years.

The Ceuta International Alliance has come a long way (see Figure 1) since it made its debut in April 2006. At that time, the alliance had its sights firmly set on Europe with a network of partners providing access to 27 countries (**OTC *bulletin***, 28 April 2006, page 1).

As might be expected for such an ambitious project, there have been some challenges along the way. Nevertheless, Burrows said that the alliance had now launched several products across the network. He cited the Oralmedic mouth-ulcer treatment from US-based Epien Medical as a good example of the potential of the Ceuta International Alliance.

The Class I medical device was introduced by Ceuta into Germany, Hungary, Ireland, Israel and the UK in 2007 (**OTC *bulletin***, 28 September 2007, page 13).

Ceuta positioned Oralmedic as a "revolutionary new product" that "eliminates mouth ulcer pain in seconds" following just one application. The product was based on a patented formulation that sought out and attacked dead or damaged tissue, explained the company, and then reacted within seconds with the damaged tissue to create a seal or barrier over the site.

By contrast, added Ceuta, the conventional treatments, such as gels and creams, were applied on top of the affected area and took longer to penetrate the damaged tissue before reaching the infected site.

Oralmedic is supplied in an eyecatching red

GR Lane Health Products' Olbas brand has been launched in several countries by the Ceuta International Alliance

and yellow pack. Speaking to **OTC *bulletin*** in 2007, Burrows said the "plan was to create a truly global brand which is instantly recognisable by the brand name and visual communications, hence the uniform pack design".

Three years on, Burrows said Oralmedic had been launched in 30 markets including Australia, Belgium, Egypt, Finland, the Netherlands, Poland, Saudi Arabia, Spain, Sudan, Switzerland and Turkey.

Another example highlighted by Burrows was Medichem's Colour B4 hair-colour remover. This had been launched in 11 countries and was about to be introduced in a further 10, he said.

Furthermore, he added, Ceuta was now managing or launching Procter & Gamble's Old Spice and Camay brands in 14 markets.

Burrows also drew attention to Ceuta's progress with GR Lane Health Products' portfolio of OTC brands, which includes Olbas decongestants, Kalms calming and sleeping aids, and Jakemans throat lozenges. Products from the UK-based family-owned company had been launched, or were about to be launched, in 16 markets, he said.

Phil Walker, export sales manager of GR Lane, said that the Ceuta International Alliance network of "proven partners" had enabled GR Lane to "accelerate the international development of its brands quickly and cost-effectively". "As a professional service provider, we see Ceuta as an extension of our business and core to the delivery of our strategic brand objectives," he added.

Declining contribution from export sales

Explaining why GR Lane had decided to outsource, Walker pointed out that the contribution of export sales towards the overall company performance had been in decline between 2001 and 2005. Two-thirds, 68%, of the company's export sales, he noted, came from just three markets – Greece, Ireland and Poland.

Between 2005 and 2008, added Walker, GR Lane's export growth strategy had involved following up existing leads in Russia and working with the UK government's Passport to Export initiative in China and India. However, describing progress as "slow or negligible", Walker said the company had realised that it "needed to do something different and needed to do it quickly".

Region	Number of markets
Europe	44
Africa	15
Asia-Pacific	13
Middle East	12
North America	2
Latin America	–
Ceuta International Alliance	**86**

Figure 1: Markets where the Ceuta International Alliance has a presence (Source – Ceuta Healthcare)

Phil Walker, export sales manager for GR Lane Health Products, said the Ceuta International Alliance had accelerated the international development of its brands "quickly and cost-effectively"

Peter Burrows, Ceuta Healthcare's director of international business development, said the Ceuta International Alliance was seeking partners in India, Pakistan and South America

Since 2008, GR Lane has been working with the Ceuta International Alliance to boost its export sales in Europe and the Middle East. The company is also keen to target South-East Asia and South America.

Export sales now accounted for nearly a fifth of GR Lane's annual turnover, said Walker, and were making a healthier contribution to the overall company performance. The three main markets of Greece, Ireland and Poland now only generated 54% of export sales, while the Middle East, including the United Arab Emirates, produced 9% of export sales.

According to Walker, the benefits of working with the Ceuta International Alliance included gaining access to dozens of new markets, as well as in-market knowledge and experience. Furthermore, he added, the due diligence with potential new distributors had already been completed.

Walker also drew attention to the fact that the Ceuta International Alliance provided him with regular updates on progress, as he had direct access to two regional heads in the Ceuta International Alliance management team.

Outsourcing had advantages for both large and small companies, said Antoine del Serra, director of global banking and markets with HSBC. He pointed out that mergers and acquisitions were creating larger companies with portfolio management challenges. "Outsource service providers offer an alternative to selling off brands and creating competitors," he noted.

Del Serra said increasing numbers of leading players were looking at outsourcing as a real solution. "Many other industries outside of healthcare, such as food and confectionery, regard outsourcing as a key component of their success strategy," he observed.

He also noted that innovation companies and start-ups could benefit from outsourcing sales and marketing to minimise overheads as they focused on developing products into commercial propositions.

Showcase of product opportunities

The centrepiece of the alliance's annual conference was the showcase session, where companies pitched new product opportunities to the alliance partners. These included a medical device for heartburn from Perrigo, a medical device for ear hygiene from Earigate, and a product for Attention Deficit Hyperactivity Disorder (ADHD) from Chemipal. Tinefcon – a treatment for psoriasis, which Piramal Life Sciences is seeking to register in the European Union as a traditional herbal medicinal product – was also on offer.

Burrows maintained that health and beauty companies saw outsourcing as a "viable option to maximise growth and profit from their entire brand portfolio". He said that it allowed them to optimise the potential of non-core brands and activities; offered an alternative to divestment; provided access to experts in specific trade channels or markets; gave the ability to reach new, untapped potential in white-space markets; and allowed them to commercialise innovation cost effectively.

"Both retailers and manufacturers were increasingly global players," added Burrows, "so outsource service providers also had to become global players."

OTC

Manufacturers

Bausch & Lomb promotes van Zyl

Bausch & Lomb has promoted **Charl van Zyl** to the newly-created position of corporate vice-president and commercial leader for Europe, Middle East and Africa (EMEA).

The eye-health specialist said that van Zyl would focus on building "high-performance, customer-centric teams" for its Vision Care, Pharmaceuticals and Surgical businesses in all of its markets in the region.

Van Zyl would oversee Bausch & Lomb's cross-functional, multi-market EMEA operations team, added the company, and would also have direct commercial responsibility for its emerging markets in the region.

He joined Bausch & Lomb in 2009 as vice-president of the EMEA region for the company's Pharmaceuticals business. He has since taken on extra region-wide responsibilities.

Before moving to Bausch & Lomb, van Zyl was chief executive officer of the German biotechnology company Jado Technologies. He has also held positions at Novartis Pharma and Eli Lilly & Co.

OTC

Industry Associations

Todd elected chair of CRN Foundation

Karen Todd – director of marketing at Kyowa Hakko – has been elected chair of the US Council for Responsible Nutrition's (CRN's) educational foundation. She will hold the post for a two-year term.

Todd said she was honoured to be the first elected chair of the CRN Foundation.

Set up in 2009, the CRN Foundation oversees many of the educational activities and research projects run by the association for the dietary supplement industry (**OTC *bulletin***, 29 May 2009, page 12).

The CRN Foundation distributes grants to the National Advertising Division (NAD), a self-regulatory initiative.

In addition, **Jim Flaherty**, senior vice-president of marketing and advertising at NBTY, was elected vice-chair of the CRN Foundation for two years. **Marjorie Fine** of Shaklee Corporation was elected treasurer, and **Judy Blatman** of the CRN was elected secretary.

OTC

Regulatory Agencies

Germany's Knöss takes up Keller's chair at the HMPC

Germany's **Dr Werner Knöss** will be chair of Europe's Committee on Herbal Medicinal Products (HMPC) for the next three years.

Knöss – who has been the German representative on the committee since 2006 – is head of the Department for Complementary and Alternative Medicine and Traditional Medicinal Products at Germany's federal institute for drugs and medical devices (BfArM).

He takes over from Konstantin Keller, who stepped down from the post earlier this year (**OTC *bulletin***, 29 September 2010, page 26). Keller had headed the European Medicines Agency's (EMA's) work on herbal medicinal products since June 1997, and had chaired the HMPC since it was created in 2004.

Greece's **Professor Ioanna Chinou** was re-elected vice-chair of the HMPC. Chinou is currently professor of pharmacognosy in the School of Pharmacy at the University of Athens. She has been the Greek representative on the committee since 2005, and its vice-chair for the past three years.

Both Knöss and Chinou have been involved in the HMPC's Working Party on Community Monographs and Community List (MLWP) for a number of years, most recently as its vice-chair and chair respectively.

Knöss will now step down as vice-chair of the MLWP.

OTC

Industry Associations

ASMI elects Forrest as new president

Reckitt Benckiser's **Lindsay Forrest** has been elected president of the Australian Self-Medication Industry (ASMI).

Lindsay Forrest

He takes over from **Ralf Dahmen** – managing director of Omega Pharma in Australia and New Zealand – who has been president of the ASMI since 2003.

Forrest is senior vice-president and regional director/chief executive officer of Reckitt Benckiser Australasia. He joined Reckitt Benckiser when the company acquired Boots Healthcare International, where he had been regional director in Europe, regional director in Asia and managing director in New Zealand.

The ASMI has also elected **Jayne Senior**, managing director of Mentholatum Australasia, as vice-president and secretary.

Furthermore, **Trevor Norman** – director of finance, operations and administration at Combe Asia-Pacific – was re-elected vice-president and treasurer of the ASMI.

The Australian Self-Medication Industry (ASMI) has recognised the work of Juliet Seifert, its former executive director. Seifert (pictured left) was presented the ASMI's Award for Excellence by Jane Hilton, secretary of the Department of Health and Ageing (right)

OTC

Industry Associations

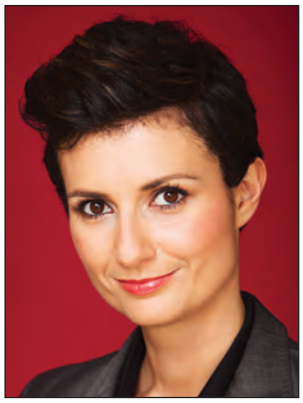
Croatian association is member of AESGP

The Croatian Association of the Self-Medication Industry (CASI) has joined the Association of the European Self-Medication Industry, the AESGP.

CASI, which was formed earlier this year, said that its members accounted for 80% of the Croatian OTC market. The 20 leading manufacturers, agents and distributors in Croatia are members, added CASI, including Alkaloid, Bayer, Belupo, Boehringer Ingelheim, Bosnalijek, CSC Pharmaceuticals Handels, Fidifarm, Filip Trade, GlaxoSmithKline, Jadran Galenski Laboratorij, Johnson & Johnson, Medis Adria, Milsing, Naturprodukt, Oktalpharma, Pharmaswiss, Pliva, Salveo, Sandoz, Stada Hemofarm and Tresnjevka Laboratorij.

Sonja Katanec, OTC senior director with Pliva/Teva, is president of CASI.

CASI said it aimed to create a positive environment in the self-medication field to encourage the use of OTC products. The association added that it wanted a transparent regulatory framework for OTC products on Croatia's accession to the European Union.



Sonja Katanec

OTC

IN BRIEF

■ **NPA** – the UK's National Pharmacy Association – said **Michael Holden** would take over as its new chief executive officer on 4 January 2011. The association announced his appointment in October (**OTC *bulletin***, 29 October 2010, page 22). He replaces John Turk, who left the post earlier this year (**OTC *bulletin***, 16 April 2010, page 23). A qualified pharmacist, Holden has spent 30 years in community pharmacy. He is currently chief officer of the Hampshire and Isle of Wight Local Pharmaceutical Committee.

OTC

Manufacturers

Reckitt recruits Doherty as chief financial officer

Reckitt Benckiser has named **Liz Doherty** as the replacement for its departing chief financial officer **Colin Day**.

Doherty will join the UK-based company in January 2011, and will work with Day until he leaves on 31 March 2011.

Up until November 2009, Doherty was chief financial officer of the Australian supply chain and information management specialist Brambles Industries.

Before joining Brambles in December 2007, Doherty was group international finance director at UK-based supermarket chain Tesco. She was also responsible for corporate accounts, group tax and treasury.

Prior to spending seven years at Tesco, Doherty worked at Unilever for 22 years.

Reckitt Benckiser pointed out that Doherty had worked in Australia, the Netherlands, Spain and Thailand, and would bring 14 years of international experience to her new role.

Bart Becht, Reckitt Benckiser's chief executive officer, said Doherty had "excellent international consumer and listed company experience" as well as "focus and drive" that matched the culture at Reckitt Benckiser.

Liz Doherty

Doherty's appointment comes a month after Reckitt Benckiser announced that Day was leaving the company after 10 years as chief financial officer to "focus on his portfolio of non-executive positions and other career interests" (**OTC *bulletin***, 29 October 2010, page 23).

Reckitt Benckiser said it was looking for a successor to Day who was "keen to focus on leading the company's finance function in support of the next stage of the firm's growth".

OTC

Mergers & Acquisitions

Omega Pharma gets OTC lines in Spain and Portugal

■ *Continued from front page*

followed Omega announcing in March that it would consider buying innovative brands or businesses with global potential as part of its drive to become one of the world's top 10 OTC players (**OTC *bulletin***, 31 March 2010, page 2).

Acquisitions would play a part, Omega noted, in expanding its five new business categories of Classics, Cough & Cold, Derma, Multi-Locals and Parasites. Focusing on just the five business areas would enable Omega to shift away from niches with sales of €50 million to €100 million, the company said, to large categories like dermatology and cough/cold.

Omega claims to be the 13th biggest OTC company in the world with sales of €814 million in 2009 and a presence in 35 countries.

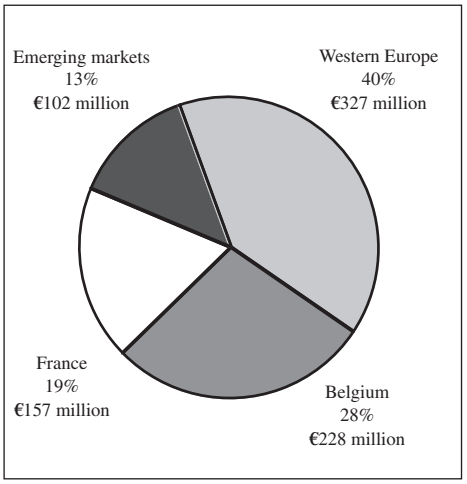


Figure 1: Breakdown of Omega Pharma's sales in 2009 – €814 million – by region (Source – Omega Pharma)

OTC