

New Colleague Welcome!



Horphag Research is eager to announce a new member of their Asia Pacific team -Jeffery M. Strong, N.D. as Director of Scientific Communications for the Asia Division. Since joining the company last fall, Jeff's responsibilities include educating nutraceutical companies and their customers about the scientific evidence behind Pycnogenol® through communication mediums like oral presentations, written articles and newsletters or FAQ columns. Fluent in Japanese, Jeff routinely writes articles for use in advertising media, trade journals, and magazines and is a liaison with local researchers in Asia for conducting research projects.

As a naturopathic physician trained in primary care medicine, Jeff's expertise encompasses preventative medicine, detoxification, digestive disorders, chronic fatigue, insulin resistance and hormonal balancing. He graduated from Bastyr University with a doctorate of naturopathic medicine and completed his undergraduate studies at University of Washington earning a Bachelor of Arts in Japanese.

Jeff is a member of the American Association of Naturopathic Physicians, the Japanese Society of Anti-Aging Medicine and the Japanese Society for Complementary and Alternative Medicine and Treatment. Presently, he also is a visiting researcher at the Caress Alliance Nikko Health Systems Research Institute, Nikko Memorial Hospital in Muroran, Japan where he is researching current efforts to integrate complementary and alternative medicine in Japan.

Contact Jeff Strong at (+81)143-46-8550 or jeff@pycnogenol.com.

Customer Snapshot



We sat down with longtime customer Jorgen Dam, Export Manager at Pharma Nord to learn more about the company and what keeps their natural products on the cutting edge.

1 Please provide an overview on your company including your mission, standards and vision for Pharma Nord.

Ever since Pharma Nord was established in the early 1980s, we have had a clear company policy concerning our food supplements and natural remedies. Any given preparation must deliver a measurable or detectable effect within weeks, or else it is worthless. Alternatively, there must be scientific documentation proving that the preparation in question has a protective or preventative effect. Having such a company policy and executing the necessary self justice to support it sets up apart from other manufacturers in the food supplement industry. We feel that we owe it to the consumers to provide them with safe and effective products that are worth their cost.

In order to profile ourselves as a responsible and trustworthy manufacturer of food supplements and natural remedies, we have submitted our entire production to the rigid GMP codex (Good Manufacturing Practice). By raising our standards to the quality and safety level that is normally only expected from pharmaceutical products, people have a

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Welcome

The new year has gotten off to a swift start with exciting new research, innovative product formulations and our customer meetings shaping 2006. Horphag Research and NHS collectively are looking forward to great things this year as we set out to educate, inspire and help people live better.

A crucial health topic, cardiovascular health, takes center stage in this issue of the Pycnogenol® Report and we hope you find this information useful as you examine gaps in your product lines or streamline your inventory. Pycnogenol® continues to break new ground in the heart and circulatory health categories and we carefully examine a new review article written by Ronald Ross Watson at the University of Arizona. We look forward to sitting down with you this year and continuing our valued partnerships.

Best Regards,

Victor Ferrari
Chief Operating Officer
Horphag Research

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FEATURING...

THE LATEST UPDATES ON
PYCNOGENOL®:

HEALTHY HEART MAINTENANCE

RESEARCH ON COX INHIBITION AND
ARTHRITIS PAIN REDUCTION

LATEST PRODUCTS FOR YOUR
CUSTOMERS

Pycnogenol® is a registered trademark of Horphag Research Ltd and is protected by U.S. patents #5,720,956 and #6,372,266 WWW.PYCNOPENOL.COM

REPORT

LOOK, FEEL, AND LIVE BETTER

NEWSBRIEFS

New Research:
Pycnogenol® Naturally Reduces
Arthritis Pain by Inhibition of COX

Healthy Heart Beat:
Finding the Right Heart Routine

PRODUCT SPOTLIGHT

Restgenol®
One-A-Night®
Evelle®

CORPORATE ANNOUNCEMENTS

New Colleague Welcome:
Jeff Strong

Customer Snapshot:
Interview with Jorgen Dam



Learn how Pycnogenol's® all-natural

cardio-protective health benefits

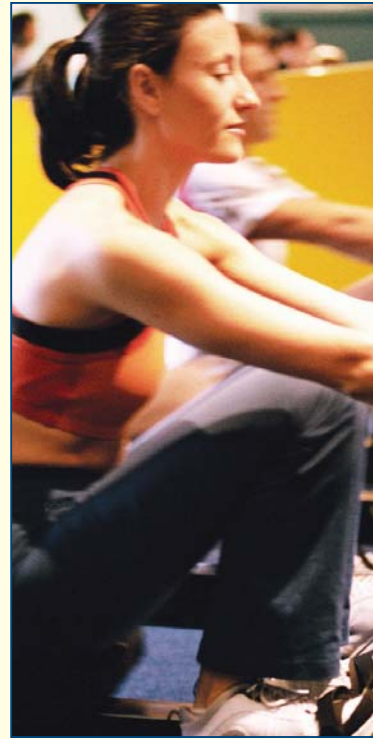
fight high blood pressure, lower cholesterol and maintain healthy circulation.

See pg.2 "Healthy Heartbeat:
Finding the Right Routine"



PYCNOPENOL
LOOK, FEEL, AND LIVE BETTER

According to the World Health Organization (WHO), heart disease and stroke kill 17 million people a year. WHO predicts that by 2020, heart disease and stroke will become the leading cause of both death and disability worldwide. These are staggering statistics and explain why cardiovascular health has become a popular topic with both men and women of all ages in the last decade. The attention is zeroing in on the debilitating risk factors of heart disease and how to aggressively take action to minimize risks and stay healthy. Determining the right heart program is important and many factors such as diet, weight control and exercise play a part.



Pycnogenol® has several key health benefits that revolve around the cardiovascular system. First, Pycnogenol is a powerful natural antioxidant and anti-inflammatory

— important attributes for overall heart health. A number of clinical research studies show that Pycnogenol® is powerful in reducing inflammation in the body, strengthening the vascular system, lowering high blood pressure and cholesterol among others.

Pycnogenol® helps maintain healthy circulation by increasing vasodilation and improving blood flow. Recent research in *Clinical and Applied Thrombosis/Hemostasis* demonstrated that Pycnogenol® could actually reduce swollen legs and feet, which can occur on long distance airline flights or sitting still for long periods of time at a desk or in a car or train. The swelling and discomfort is caused by lack of movement and insufficient venous blood circulation as fluids accumulate in tissues through the legs. In addition to promoting circulation, the super-strength antioxidant helps make blood platelets more slippery which reduces the incidence of blood clots, the main cause of heart attacks.

Lowering cholesterol levels is essential in maintaining a healthy heart. Pycnogenol® is emerging as a viable natural health choice in managing cholesterol levels. A University of Texas, Dallas clinical study recorded that supplementing with Pycnogenol® significantly reduced the bad (LDL) cholesterol while elevating the good (HDL) cholesterol levels.

According to the American Heart Association, high blood pressure affects one out of every four Americans and is serious heart disease risk factor. Dr. Ronald Ross Watson at the University of Arizona has spent years researching Pycnogenol® and conducted groundbreaking research on high

blood pressure patients. His research concluded that subjects with mild hypertension showed a significant reduction of blood pressure in response to supplementing with the super antioxidant. Further, additional research confirmed that participants who took prescribed high blood pressure medication were able to reduce their dosage by half when they supplemented with Pycnogenol®.

The above clinical studies are crucial for natural heart health alternatives and pave the way for more research on Pycnogenol® and its cardio-protective benefits.

Already this year Dr. Watson published a review demonstrating the symbiotic effects of Coenzyme Q10 (CoQ10) and Pycnogenol® for promoting cardiovascular health. The research data shows patients who supplemented with a combination of Pycnogenol® and CoQ10 benefited from the collaborative antioxidant effects. The assessment was published in the February issue of *Evidence Based Integrative Medicine*. Dr. Watson, the lead author of the article, commented on how two or more dietary supplements when working synergistically are more effective than each individual one alone.

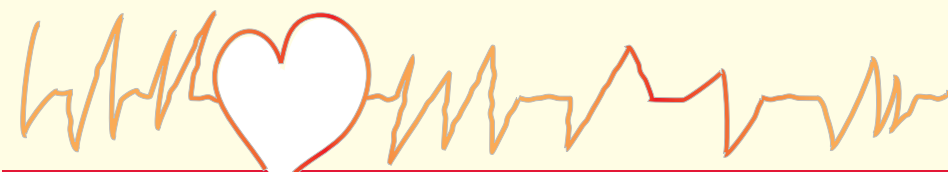
The analysis reviewed the extensive research on CoQ10 and Pycnogenol® individually as well as in combination. CoQ10 supports healthy heart and blood vessel function as essential part of energy-generation in the cells of the human body. Pycnogenol® supplies

procyanidins, active compounds that provide antioxidant protection from cell-damaging free radicals, and helps to maintain healthy capillaries and healthy circulatory system.

Joint research conducted at Showa Medical University of Tokyo, Japan and the State University of New York,

Buffalo, indicate the co-action of Pycnogenol® and CoQ10 protect 53 percent of blood lipids from oxidation as opposed to less than 30 percent as individual ingredients. Study results show these two antioxidant ingredients have synergistic effects on the body and work to protect and enhance the entire vascular system including blood vessel integrity, blood lipid values, circulation, blood pressure and platelet function.

Watson added that he thought this survey of medical literature conducted on both ingredients strongly suggests that Pycnogenol® and CoQ10 is a seamless combination for improvement of all major cardiovascular ailments.



HEALTHY HEART BEAT FINDING THE RIGHT HEART ROUTINE



NEW RESEARCH PYCNOGENOL® NATURALLY REDUCES ARTHRITIS PAIN BY INHIBITION OF COX

Several years ago when popular prescription COX-2 inhibitors like Vioxx were withdrawn from the market, a void was created as individuals clamored to

find other products – prescriptions and natural remedies that would help provide them with pain relief.

Innovative Pycnogenol® research is beginning to do just that. A new study published this year in

Biomedicine & Pharmacotherapy demonstrates the natural pain reduction properties of Pycnogenol® for COX inhibition. Patients who supplemented with Pycnogenol® demonstrated a decrease in pain and inflammation by lowering cyclooxygenase activity, also known as COX-1 and COX-2.

The clinical study conducted at the University of Würzburg in Germany investigated the inhibitory effects of Pycnogenol® involved in lowering pain in inflammatory conditions such as arthritis. Two groups of patients were supplemented with Pycnogenol after an initial basal blood sample. The first group of patients was supplemented with Pycnogenol® for five days when another blood sample was taken. The patients' blood samples revealed

direct inhibitory effect on cyclooxygenase activity. Another group of patients was supplemented with a single dose of Pycnogenol® to determine how quickly the inhibitory effect on COX enzymes was measurable. Only 30 minutes after ingestion of Pycnogenol®, blood samples indicated a statistically significant increase in the inhibitory effects of both COX-1 and COX-2.

According to the lead author of the study Petra Högger Ph.D., the initial findings suggest that Pycnogenol supplementation inhibits the enzymes involved in the development of pain associated with inflammatory disorders such as arthritis, asthma and dysmenorrhea.

For more information on the COX Inhibition study, we invite you to visit www.pycnogenol.com.

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guarantee that the products in our range are safe, effective and – very importantly – properly documented.

Today, we are one of Europe's leading manufacturers of food supplement and natural remedies. We believe one of the most important reasons for our international success is the emphasis we place on scientific documentation.

2 Pharma Nord and Horphag Research have enjoyed a long and successful partnership, creating and producing innovative natural product formulas. Please share your history with us and some of the important milestones in achieving success in the marketplace.

Pharma Nord's partnership with Horphag goes back more than 10 years. One of the most important milestones along the way has been the development of Evelle®, our skin-rejuvenating food supplement, which has Pycnogenol® as one of its most important ingredients. Another milestone is the German study that documents Evelle® as being the first and only pill that is able to block wrinkles. Pycnogenol® is the cornerstone in our range of beauty-products and has a broad range of applications.

3 You have several well-known products including Bio-Pycnogenol® and other cosmeceuticals products like Evelle that contain Pycnogenol®. Please break down some of their key health benefits they provide and why you believe they are unique and popular among consumers.

With Evelle, it is the product's ability to block wrinkles, make the skin smoother, softer and more elastic that are most interesting. Consumers have traditionally concentrated their beauty efforts on topical application of skin moisturisers and nourishing creams and lotions. The introduction of Evelle addresses the beauty aspect from a totally different angle – from the inside. Modern skincare has taken a giant step into the 21st century by enabling people to stimulate the biological processes responsible for skin rejuvenation and cell protection – from the inside with a pill.

We even have topical beauty products (facial creams, moisturisers etc.) with Pycnogenol® in combination with other biologically active ingredients.

Then there is Bio-Pycnogenol®, which is merely Pycnogenol® in tablet form, intended to help people improve and protect their cardiovascular system. The pill is particularly useful for smokers who wish to reduce the detrimental effect of smoking, and it is also an important supplement for those who want to reduce their risk of developing deep vein thrombosis (DVT) on long-haul flights.

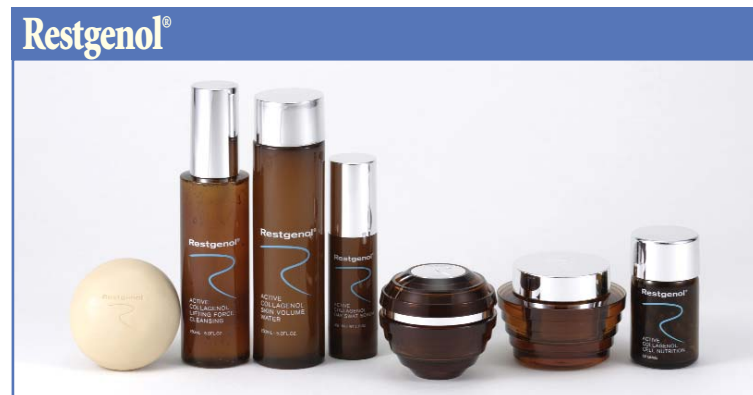
One of the things that makes Pycnogenol® so important as an active ingredient is the fact that it delivers a comparatively fast and reliable effect.

4 What stands out to you the most about the ingredient Pycnogenol®?

The thing that makes Pycnogenol® so valuable to us as an active ingredient is the fact that Horphag has conducted such extensive research in order to map out the health features of this extract. The comprehensive amount of scientific documentation showing the numerable health benefits of Pycnogenol® provides us with an important marketing tool.

We view Pycnogenol® as one of the most well-documented and versatile active ingredients on the market, and these virtues are the underlying reason why we have chosen to integrate it in so many of our products.

PRODUCT SPOTLIGHT



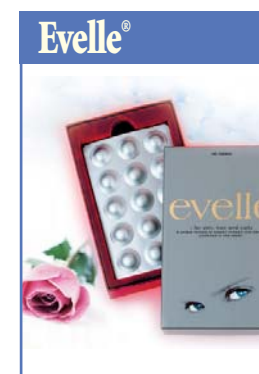
Restgenol®: B&C Laboratories, a division of Sony, recently launched a new Restgenol® "Active Collagen" line of seven cosmetic products in Japan that incorporates super antioxidant Pycnogenol® into each formula. For basic skin care, there is the Lifting Face Bar, Lifting Force Cleansing, Skin Volume Water and Day Swat Serum. And, for deep skin care, Active Collagen Cell Nutrition tablets are available. The flagship product of the Restgenol® line is the High Class Delivery tonifying beauty cream. Active ingredients include Pycnogenol, beta glucan, nano-CoQ10 among others. The line provides women with product choices for all of their skin care needs through an array of applications.

Pycnogenol® is included in many cosmetic products because of its proven research in maintaining healthy skin. Studies found that Pycnogenol® acts as a collagen stabilizer by binding to collagen in the skin and maintaining elasticity, saving it from destruction. This action helps keep the skin firm and prevents wrinkles. The antioxidant also improves microcirculation of tiny skin capillaries which help support better oxygen, nutrient and hydration supplies to the skin.

The top selling anti-aging cosmetic Restgenol® line is sold exclusively through Sony beauty shops and esthetic salons in Japan.

One-A-Night®: Otsuka Pharmaceutical recently launched the innovative "One-A-Night" drink with Pycnogenol®. The product is one of three "One-A-Night" formulas and each targets a specific health purpose. One-A-Night with Pycnogenol® helps combat stiff shoulder problems, which are very common in Japan and Asian countries in general. The beverage helps loosen up the shoulders and Pycnogenol® is the primary active ingredient in the drink.

The product is available on the Otsuka website and in supermarkets and convenience stores in Hiroshima prefecture. An integrated television advertising and public relations campaign is in place to introduce the products and educate consumers on their unique health benefits.



Evelle is available in the United Kingdom, Austria, Hungary, Sweden, Thailand and Japan.

Evelle®: Created by Pharma Nord, Evelle® is a revolutionary natural beauty formula that is comprised of a unique blend of revitalizing nutrients that nourish the skin, hair and nails from the inside, out. Taking two supplement tablets a day provide nutrients that produce smoother, firmer, younger looking skin, shiny and lustrous hair and stronger nails.

Product ingredients include antioxidant Pycnogenol® that stabilizes and protects collagen and elastin in the skin and Bio-Marine Complex with proteins and polysaccharides, to help improve the structure and quality of the dermis resulting in smoother, suppler skin. Plant extracts with lycopene and anthocyanidins contribute natural antioxidant benefits.

Read more about Pharma Nord and their Pycnogenol® products in this issue's interview with Jorgen Dam, Pharma Nord's export manager.