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## Starting Over in the Skin Game

*Bradley Pharma founder will go head-to-head against the company that bought him out*

By Shankar P.

FAIRFIELD — For Daniel Glassman, 65, it's "déjà vu, all over again," as Yogi Berra would say. Glassman last month launched Medimetriks Inc., a drug company startup, just four months after Switzerland's Nycomed paid \$346 million for Bradley Pharmaceuticals, which he founded in 1985.

Glassman says he lost control of Bradley Pharma, which was publicly traded at the time, because he couldn't raise the money to finance a bid that would have been 5 percent higher than Nycomed's. Glassman left after negotiating his way out of a non-compete clause with the Swiss company.

Glassman now appears intent on settling the score by confronting Nycomed head-on with his new venture. Medimetriks plans to focus on dermatology and podiatry drugs—dermatology comprised nearly 80 percent of Bradley Pharma's \$125 million of revenue last year. All 11 members of the Medimetrik team, including Glassman and three Medimetrik co-founders, come from Bradley.

However, "head-on competition is not what we are trying to do at Medimetriks," says Glassman, who chairs the new company. "It just happens that I am most familiar in dermatology." Medimetriks "will be competing" with Bradley, he adds, but also plans to develop products that won't compete with his former company.

Glassman says he and his co-founders have invested more than \$3 million in the company. Son Bradley Glassman, 34, CEO, president and a co-founder of Medimetriks, had run Bradley's sales and marketing operations. Co-founders Brent Lencyzki, chief financial officer, and Alan Goldstein, who heads corporate development, had the same jobs at Bradley Pharmaceuticals.

Bradley Glassman says dermatology products make good sense for small companies because the field is relatively unattractive to big drug makers. "The dermatology business is worth about \$6 billion annually, but Big Pharma is



*Daniel Glassman, right, and son Bradley had been known as "Team Bradley."*  
[Steven J. Dundas]

focusing on drugs like [the cholesterol treatment] Lipitor, which is doing \$12 billion," he says. Big companies are also focusing on drugs to treat Alzheimer's and cardiovascular diseases, he adds.

Mark Lebwahl, chairman of the dermatology department at the Mount Sinai School of Medicine in New York City notes that "with the exception of the biologics companies that are making drugs for psoriasis, most of the large companies like Novartis, Roche and Glaxo-SmithKline have abandoned dermatology, so there is a huge void and an opening for small companies," Lebwahl says. "Few companies specialize in podiatry," making it another area that Medimetriks can exploit.

Seen in this light, "there is a high probability that [Medimetriks] would be successful," he says.

Bradley Glassman says Medimetriks is talking with companies about licensing and/or buying their dermatology and podiatry products. Once

obtained, the drugs could be manufactured through contractual agreements, he says, adding that he is negotiating for products that could be on the market as early as this fall.

Bradley Glassman thinks the business can produce gross margins of 75 percent or more, and could turn cash-flow positive in terms of earnings before interest, depreciation, taxes and amortization by the third quarter of 2009.

He says the dermatology market is currently growing at 5 percent to 7 percent annually, and "is the perfect marketplace for a small company to meet the physician."

According to Lebwahl, "the Glassman family probably knows most of the thought leaders in dermatology and most of the dermatologists in the country." Lebwahl adds that "the 8,000 practicing dermatologists in the country prescribe large amounts of drugs to patients, and it's a very smart group to focus on."

Michael Krensavage, partner at Krensavage Partners LP, a health care investment fund, calls the Glassmans "very good drug marketers. It really comes down to that," says Krensavage, who covered Bradley Pharma while working as an analyst at Raymond James.

Among the brands the Glassmans developed at Bradley were the skin softener Carmol and the antibiotic acne fighter Adoxa. "What Team Bradley has is expertise," says Krensavage, noting that father and son were called "Team Bradley" at Bradley Pharma.

Krensavage says the big challenge for Medimetriks will be to operate in a competitive and highly fragmented market that contains "dozens of skin softeners or acne medicines" that are similar.

He says Medimetriks could also face challenges raising money in the current credit environment. But the younger Glassman insists that "a lot of investors are aware of what we did at Bradley and are very interested in associating themselves with us."