

# Greystone prepares to expand factory space

Company to increase output of wound-care products in deal with 3M Co.

By Daniel Connolly

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Greystone Pharmaceuticals plans to more-than-double the size of its Memphis factory to make enough wound-care products to service the massive licensing and distribution deal that it signed this month with the health care arm of Minnesota-based 3M Co.

The total size of the building on Florida Street just south of Downtown will increase from 8,000 feet to 22,000 feet over the next year, said Greg P. Pilant, Greystone's chairman and CEO.

It will make "millions" of wound-care dressings, he said.

Financial terms of the deal and the exact number of units the firm plans to make were not disclosed.

Pilant said he's pleased that the small firm was able to negotiate a good deal with the bigger company.

"From my standpoint, I'm very proud of the team," he said.

Greystone is a small, privately held firm that was founded in 1996 in Memphis and is currently based in Fort Myers, Fla.

Its signature product is the DerMax wound-care dressing, a simple piece of gauze embedded with a special ointment.

The ointment is a synthetic version of a product derived from oak bark and promotes the healing of chronic, festering wounds common among people with diabetes and other conditions.

As the number of diabetics increases, there's strong demand for the product.

Last year, Greystone signed a deal with 3M to license and distribute DerMax in the United Kingdom.

3M, a firm that makes items as wide-ranging as health care products and Scotch tape, agreed to put its own label on the product, which is sold as Epi-Max in the United States.

Greystone and 3M expanded the agreement months later to include much of the rest of Europe as well as Canada.

Pilant says European health care authorities are willing to spend a high price for the simple gauze dressing because it eliminates the need for amputations and other drastic treatments, cutting down the total cost of treating a wound.

For instance, the Netherlands pays the equivalent of \$30 a day per dressing, Pilant said.

On July 9, 3M and Greystone signed final documents that expanded the agreement further to cover distribution in almost the entire world, Pilant said.

3M plans to quickly start selling the DerMax product in the Middle East and Asia, he said.

Greystone also plans to produce a series of new wound products to be licensed and distributed under the 3M name.

"This license agreement will enhance 3M Health Care's rapidly growing advanced wound care business and builds on our reputation as a global leader in the treatment of chronic wounds," said Bill Cruise, a wound care executive with 3M.

It's a good situation for a company that wasn't making a profit until recently.

"(The 3M deal) has drastically increased our overall revenue and profitably," Pilant said.

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Greystone Pharmaceuticals Inc.

Chairman and CEO: Greg P. Pilant

Local office: 3251 Poplar, factory on Florida St.

Employees: About 55, including about 25 in the Mid-South

Online: [greystonepharmaceuticals.com](http://greystonepharmaceuticals.com)