

NZ sleep enhancing milk popular in Taiwan

Taiwanese trials of a New Zealand sleep enhancing milk product proved there was interest. But joint venture partners New Image Group and Somnaceutics have been stunned by the demand for the milk powder-based drink since it launched six weeks ago.

Stephen Lyttelton, chief executive of health and wellness product group New Image (NZX: NEW), says the first shipment of Sleep Time sold out to its 20,000 Taiwanese distributors within half an hour of the product's launch.

He says the demand confirms clinical trials in Taiwan that saw 88% of users report significant sleep improvement. People in the trials kept sleep diaries and gauged the product's effectiveness.

Production in New Zealand is now being ramped up and Somnaceutics is adding more cows to the special dairy herds that produce milk containing a high level of sleep enhancing peptides.

The Auckland-based bio-technology company was established in 2007 to commercialise the discovery that certain cows carried peptides believed responsible for the sleep-enhancing effect of their milk. The peptides were discovered by Somnaceutics' founding scientist and director Professor Bob Elliott. Prof Elliott, who is also the founding scientist of Living Cell Technologies (ASX: LCT and OTCQX: LVCLY), also developed the proprietary manufacturing process to stabilize the milk, extending the life of certain milk fractions in the body's circulation.

Another Somnaceutics shareholder is its board chairman Gary Pace, a former Fullbright Fellow at the Massachusetts Institute of Technology. Dr Pace is also a director of ResMed (NYSE:RMD and ASX:RMD.AX) which develops, manufactures and markets products for the screening, treatment and management of sleep and respiratory disorders.

The joint venture in Taiwan came about after New Image's research among its more than 5000 direct selling distributors in Taiwan had shown it that sleep deprivation is a real concern to Taiwanese living a high-pressure lifestyle. A study by the Taiwan Society of Sleep Medicine also showed that the number of Taiwanese suffering from lack of sleep has doubled in three years to 22% of the country's population of 23 million now having chronic insomnia and up to 60% suffering some form of sleep deprivation.

New Image sought the exclusive right to distribute the Somnaceutics milk powder through its direct selling channels in Taiwan and the joint venture partnership was established late last year.

Guy Wills, Somnaceutics' chief executive, says the flavoured milk powder, which is mixed with a small amount of water, has a natural soporific effect and has been shown in clinical trials to provide a statistically significant improvement in quality of sleep and most notably on increasing time spent in the important rapid eye movement (REM) sleep phase.

“Taiwanese like the fact that it is a natural product that has been scientifically developed and is clinically proven,” Mr Wills says. “The product was pre-tested with Taiwanese consumers and this helped fine tune elements such as flavour, formulation and packaging. The Taiwanese also like that it not only helps with sleeping, but also has strong nutritional benefits. It has less than 1% fat and is lactose free. Magnesium has been added to help muscles relax and for utilisation of calcium.”

Somnaceutics won the Cawthron Institute award for Innovation in Science and Technology for Sleep Time in the Natural Products New Zealand Industry Awards last month.

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