

Inventory Tracking Study

Introduction

Inventory Tracking Study tracks high volume heartworm preventative, flea and tick control, and pain medication dispensing and inventory levels at the veterinary clinics. Customizable data report is generated monthly according to each company's preferences and territories.

Methodology and survey instrument

Last decade of every month, year around, a two-page survey is sent out to active research panelists with a list of about 90 to 100 packages in three groups: heartworm preventatives, flea and tick control, and pain medications. Panelists fill out numbers for their total deliveries, total returns, and total end of the month inventory levels for each individual package that they carry. Filled out forms are collected via fax, regular mail, and online form in the beginning of the following month. Every returned survey is screened by a dedicated data quality specialist and any found discrepancies or inconsistencies are followed up with the clinic by an associate at MDI. Information is projected within 2% accuracy for key products when compared to annual shipments to non-diverted veterinary channel.

Benefits and usage of Inventory Tracking Study

All data can be aggregated by 1-, 2-, 3 and more vet clinics. Study tracks products based on pre-specified individual geographical areas. Data can be delivered in a paper report, Excel, or Hyperion-Brio cube formats.

Inventory Tracking Study:

- helps to track market share of the competition
- shows clinics' purchasing patterns
- can be used for trend, seasonal, cyclical analysis
- helps to forecast sales and market share
- gives an insight into the national and regional product penetration, i.e., product presence on the market
- can be used to track effectiveness of competitors' marketing strategies
- allows you to view the same competitor-validated data every month, just as the competitors do

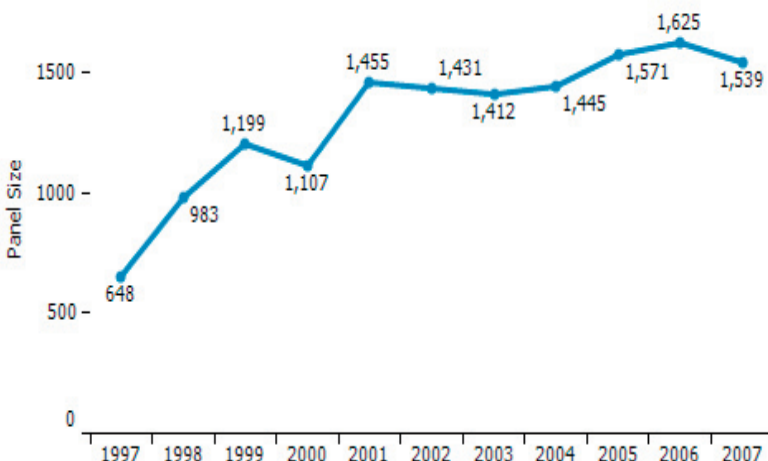
Panel composition and demographics

There are about 1500 active panelists, participating in the survey on a regular basis, distributed over 48 contiguous states. 1400 to 1500 of them submit surveys every month. Panel consists of roughly 55% one-doctor clinics, 25% two-doctor clinics, and the remaining 20% are clinics of 3 and more doctors.

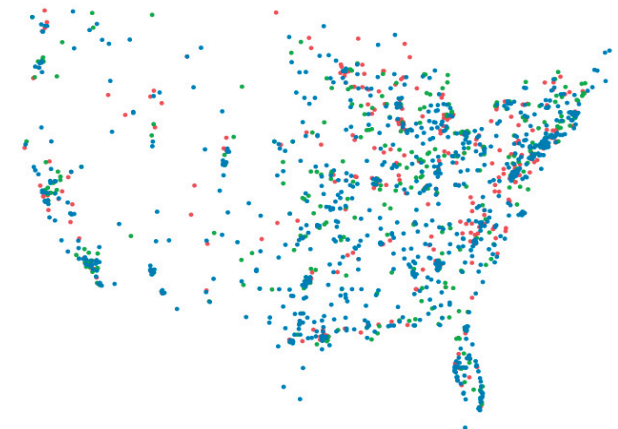
Inventory Tracking Study constraints

This study does not track corporate clinics, e.g., Banfield or VCA, specialty and emergency clinics; sales through pet stores and internet companies are not represented.

Growth in the number of active panelists over the past 10 years



Geographical distribution of panelists



Monthly Treatments Dispensed by Product

PRESCRIPTION FLEA PRODUCTS

=== For the Period: April 2001 ===

Printed: 5/14/2007

Product	Beginning Inventory	Purchases	Returns	Ending Inventory	Total Dispensed	Share Total	Share of Canine	Share of Feline
Advantage for Cats	4,899,662	1,072,853	5,713	4,780,641	1,153,832	9.14%	0.00%	40.51%
Advantage for Dogs	9,654,800	2,043,451	45,869	9,597,907	2,032,049	16.09%	20.78%	0.00%
SUBTOTAL Advantage	14,554,462	3,116,304	51,582	14,378,548	3,185,881	25.23%	20.78%	40.51%
Capstar	645,630	172,852	3,113	773,018	38,944	0.31%	0.28%	0.41%
SUBTOTAL Capstar	645,630	172,852	3,113	773,018	38,944	0.31%	0.28%	0.41%
Frontline Spray	737,230	128,340	0	696,503	167,924	1.33%	1.26%	1.57%
Frontline Top Spot for Cats	1,676,052	395,783	51,563	1,317,733	700,606	5.55%	0.00%	24.60%
Frontline Top Spot for Cats +	1,947,201	525,331	9,620	1,990,525	472,238	3.74%	0.00%	16.58%
Frontline Top Spot for Dogs	7,537,162	1,533,840	223,069	6,105,958	2,741,710	21.71%	28.03%	0.00%
Frontline Top Spot for Dogs +	6,473,015	1,704,544	43,275	6,455,157	1,678,990	13.30%	17.17%	0.00%
SUBTOTAL Frontline	18,370,660	4,287,838	327,527	16,565,876	5,761,468	45.62%	46.46%	42.75%
Program for Dogs	2,972,658	351,051	37,636	2,799,228	477,379	3.78%	4.88%	0.00%
Program for Dogs & Cats	929,312	86,382	50,742	862,264	102,618	0.81%	0.94%	0.36%
Program Injection	889,644	30,495	16,213	775,715	128,137	1.01%	0.00%	4.50%
SUBTOTAL Program	4,791,614	467,928	104,591	4,437,207	708,134	5.61%	5.83%	4.86%
Revolution for Cats	1,089,788	289,687	62,441	1,036,350	280,575	2.22%	0.00%	9.85%
Revolution for Dogs	3,178,688	731,232	186,075	3,046,921	676,806	5.36%	6.92%	0.00%
Revolution for Puppies And Kittens	418,490	65,640	26,126	396,234	61,714	0.49%	0.16%	1.62%
SUBTOTAL Revolution	4,686,966	1,086,559	274,642	4,479,505	1,019,095	8.07%	7.08%	11.48%
Sentinel	9,278,266	985,920	51,664	8,297,374	1,915,024	15.16%	19.58%	0.00%
SUBTOTAL Sentinel	9,278,266	985,920	51,664	8,297,374	1,915,024	15.16%	19.58%	0.00%
TOTAL	52,327,598	10,117,401	813,119	48,931,528	12,628,546			

This report provides break down at the individual package level, grouped by brand, for projected total numbers for beginning inventory, purchasing, returns, ending inventory levels.

About us

Market Dynamics, founded in 1986, is a research-oriented firm specializing in veterinary medical market research and information management systems. MDI conducts both multi-client and proprietary studies to improve understanding and decision-making within the healthcare marketplace. MDI believes that increased information sharing, in a research context, benefits everyone: manufacturers, their customers and patients.

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