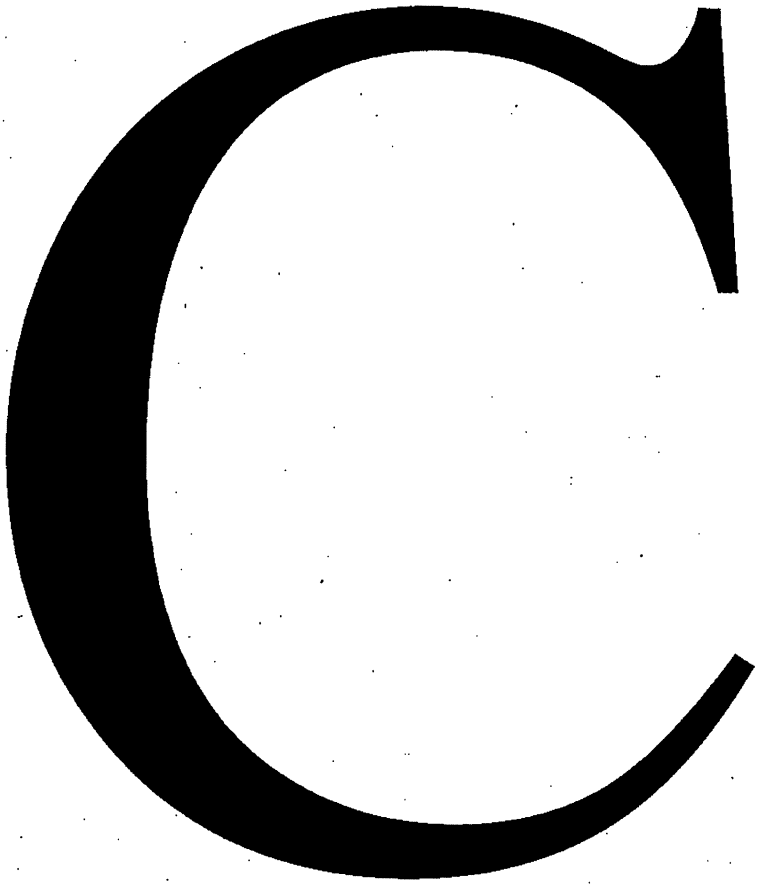


chanelle

SMALL ANIMAL PRODUCT RANGE

Small Animal – Anthelmintics Products

Item	Product	Active Ingredients	Description	Pack Sizes
1	Dronhart (3 Strengths)	(a) Ivermectin 68 µg, Pyrantel Pamoate 57mg & Praziquantel 57mg ,, (b) Ivermectin 136 µg, Pyrantel Pamoate 114mg & Praziquantel 114mg (c) Ivermectin 272 µg, Pyrantel Pamoate 228mg & Praziquantel 228mg	Oral Tablet	6 Tablets
2	Troscan 100	Nitroscanate 100mg	Oral Tablet	6 & 100 Tablets
3	Troscan 500	Nitroscanate 500mg	Oral Tablet	4 & 100 Tablets
4	Zantel (50/500)	Praziquantel 50mg / Fenbendazole 500mg	Oral Tablet	20 & 100 Tablets
5	Zerofen 22% Granules (Small Animals)	Fenbendazole 22%	Oral Granules	1g x 4, 1g x 120,2g x 120 & 4g x 4 Sachets
6	Prazitel Plus Tablets	Praziquantel 50mg / Pyrantel Pamoate 144mg & Febantel 150mg	Oral Tablet	20 & 100 Tablets

Small Animal – Antibiotics Products

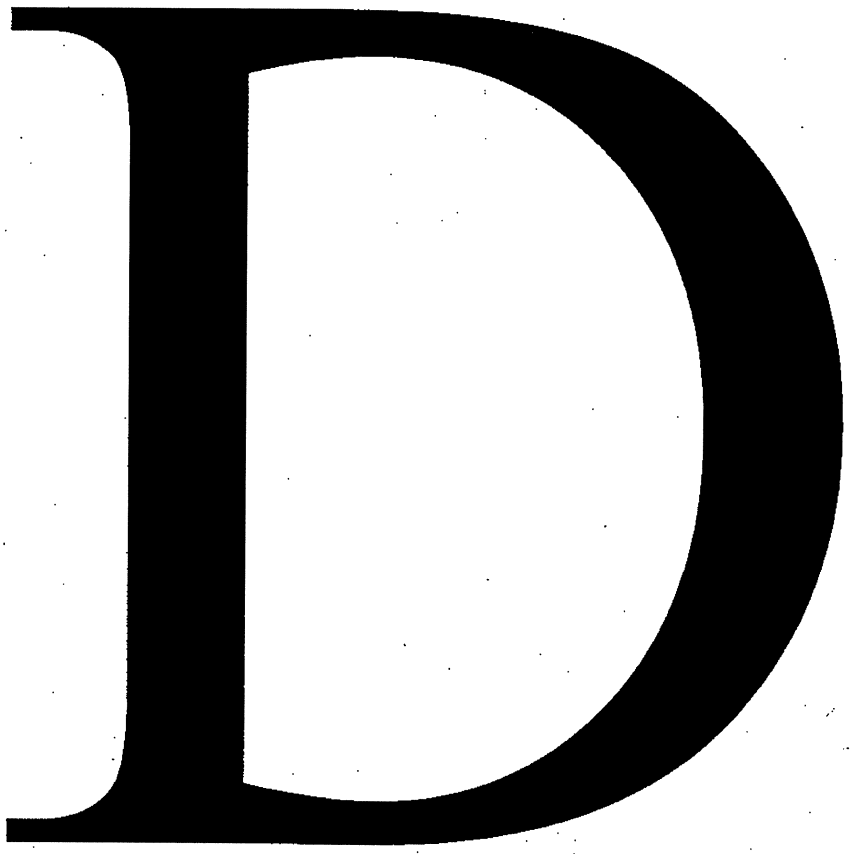
Item	Product	Active Ingredients	Description	Pack Sizes
1	Clinacin 25mg Tablets – Cats & Dogs	Clindamycin 25mg (As Clindamycin HCl)	Oral Tablet	50 & 100's
2	Clinacin 75mg Tablets	Clindamycin 75mg (As Clindamycin HCl)	Oral Tablet	50 & 100's
3	Clinacin 150mg Tablets	Clindamycin 150mg (As Clindamycin HCl)	Oral Tablet	50 & 100's

Small Animal – Sedative Products

Item	Product	Active Ingredients	Description	Pack Sizes
1	Chanazine 2%	Xylazine 2%	Injectable Solution	25ml

Small Animal – Ectoparasiticides & Anti-Infectives

Item	Product	Active Ingredients	Description	Pack Sizes
1	Gullivers Flea & Tick Shampoo	Pyrethins 0.05% Piperonyl Butoxide 0.5% Bronidox L 0.2	Shampoo	250ml



Hartz Mountain – Chanelle Pharmaceuticals Business Plan

Meeting (Secaucus)
November 1, 2002
Bob Devine
Dr. Michael Burke
Alan Kezner
Bruce Isman
Albert Ahn

Executive Summary

The Hartz-Chanelle partnership is a logical step for both organizations. Hartz has expertise in marketing of animal health products in the US and globally and Chanelle has expertise in the development and manufacture of pharmaceutical products.

There are at least is a minimum of 5 products that Hartz would like to introduce to the US and international markets. The first 2 products, Dronhart and Prazitel will be veterinary exclusive products and the last 3 products will be launched as OTC products.

Please see below for the 5 year sales projections which indicate that the Hartz – Chanelle partnership would generate sales in excess of $184 million to the merchant channels.

Chanelle/Hartz Partnership
(millions US$)

All-Heart → North America joint marketing

OTC distribution

	Year 1	Year 2	Year 3	Year 4	Year 5
Dronhart	$31	$49	$71	$88	$117
Dezrel	$10	$21	$27	$32	$33
Zolic	$5	$6	$8	$9	$9
Zeolen	$3	$5	$8	$12	$15
Worma	$4	$5	$7	$9	$10
TOTAL	$51	$85	$120	$151	$184

Europe veterinary market - Chanelle exception: Zantel in South Africa and Eastern Europe

OTC market - joint

Outside Europe - jointly in both channels.

All-Heart Jan. 5 ~~Dronhart~~ All-Heart

registered in Colombia/Mexico South of France, Italy

~~Dronhart~~ is a heartworm preventative/broad spectrum anthelmintic for dogs. It will be launched in ~~April~~ of 2004 to the US veterinary channel, with international registrations to follow.

It will contain the following actives: Ivermectin for heartworm, Praziquantel for cestodes (tapeworms) and Pyrantel Pamoate for ascarids (roundworms) and hookworms. Its label indications will be for the use in prevention of heartworm disease caused by Dirofilaria immitis, the removal of Tapeworms (Dipylidium caninum, Taenia pisiformis, Echinococcus granulosus and removal and control of Echinococcus multilocularis). For removal of Hookworms (Ancylostoma caninum, Uncinaria stenocephala), and Ascarids (Toxocara canis, Toxascaris leonina) in dogs.

It will be available in 3 sizes: up to 25 lbs., 26-50 lbs. and 51-100 lbs. Each package will contain 6 chewable tablets. The recommended treatment interval will be once monthly.

All-Heart ~~Dronhart~~ will offer a truly novel combination of actives to the veterinary channel. No other company will have a product that can protect against all the major and concerning intestinal worms and heartworm afflicting the canine population. The clear benefit to the product is the addition of Praziquantel for tapeworm eradication. Tapeworms are an on-going concern for the pet-owning population and there is no other heartworm product that exists that will eliminate tapeworms.

Hartz plans to position the product in the market as a cost-effective alternative to the current number one product – HEARTGARD while offering the DVM and the consumer more protection from parasites. This strategy will lead to broader and quicker acceptance and endorsement by the veterinary community.

The current number one product in the category has maintained its position by adding value to the product. Hartz plans on matching or exceeding the value items that are currently in place. Those plans would include:

- Providing Puppy kits to clinics. These kits would include a free sample of the product and incentive for future purchase.
- Providing a 12-month up-sell program to encourage pet owners to purchase a full years protection at one veterinary visit.
- Providing a reminder system via an automated telephone call to remind pet owners to dose the product.
- Trade Advertising to promote the product to veterinarians
- Veterinary Trade Show sponsorship to demonstrate support for the brand.
- Consumer advertising to create requests for the product

Market Projection

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Hartz % market Share	0%	10%	15%	22%	27%	35%
US Sales	**$0**	**$31**	**$46**	**$67**	**$82**	**$107**
Int'l Sales	**$0**	**$0**	**$3**	**$4**	**$6**	**$10**
Total Sales	$0	$31	$49	$71	$88	$117
A&P	$0.8	$5	$6	$7	$8	$9
Investment	$0.7					

Stability through 9 months

DMF for praziquantel
- Cipla - India
not interested
- Nanjing } China
- Shanghai }
- Korea?

(visiting Matrix next week)

Chem Sim - U.S.

Need to develop Patent strategy

Bob Martin - approved re: flubendazole as BMP

Pedigree - Hoechst Chewable flubendazole

Prazitel

Prazitel is a broad-spectrum one dose complete wormer for dogs. It will be launched in April of 2004 to the veterinary channel in the US and international markets.

It will contain the following actives: Praziquantel for cestodes (tapeworms), Pyrantel Pamoate for ascarids (roundworms) & hookworms and Febantel for nematodes (Whipworms). The label indication will be for the removal of Tapeworms (Dipylidium caninum, Taenia pisiformis, Echinococcus granulosus and removal and control of Echinococcus multilocularis). For removal of Hookworms (Ancylostoma caninum, Uncinaria stenocephala), Ascarids (Toxocara canis, Toxascaris leonina) and Whipworms (Trichuris vulpis) in dogs.

The product will be available in 2 package sizes: Prazitel Tablets for Small Dogs (2-25 lbs.) and Prazitel Tablets for Medium and Large Dogs (26 lbs. and over). The product will be packaged in a bottle containing 20 scored tablets. The recommended treatment regimen will be one weight specific dose for one complete treatment. The label will mirror the competitive product in the category – Drontal Plus.

Prazitel will offer veterinarians a cost-effective alternative to the current product on the market. Qualitative feedback from the DVM population has indicated that there is a significant cost concern for the current product being marketed. This cost concern will allow Hartz the opportunity to gain market share.

Hartz plans to promote the product to the veterinarian via trade advertising and conference support.

Market Projection

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
% market Share	0%	10%	20%	25%	30%	30%
US Sales	$0	$10	$20	$25	$29	$29
Int'l Sales	$0	$0	$1	$2	$3	$4
Total Sales	$0	$10	$21	$27	$32	$33
A&P Investment	$0 $0.7	$0.25	$0.28	$0.30	$0.33	$0.37

~~Dantel~~ New Zantel 2006

Zantel is an easy to give 3-dose regimen broad-spectrum anthelmintic for dogs and cats. It will be launched in January of 2005 to the pet specialty channel.

It will contain the following actives: Praziquantel for cestodes and Fenbendazole for ascarids, hookworms and nematodes. Its label indications will be for the removal of Tapeworms (Dipylidium caninum, Taenia pisiformis, Echinococcus granulosus and removal and control of Echinococcus multilocularis). For removal of Hookworms (Ancylostoma caninum, Uncinaria stenocephala), Ascarids (Toxocara canis, Toxascaris leonina) and Whipworms (Trichuris vulpis) in dogs and cats.

The product will be packaged in a bottle of 20 chewable tablets. The recommended treatment regimen will be a weight specific dose for 3 days in a row.

chewable kibble possible

Zantel will offer Pet Specialty a true advancement in de-wormers. No other OTC product exists to treat such a broad range of worms. It will truly innovative and readily accepted by the Pet Specialty class of trade.

Hartz plans to promote the product to the pet specialty decision-maker via trade advertising and conference support.

Market Projection

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
% market Share	0%	30%	40%	50%	60%	60%
US Sales	**$0**	**$2**	**$2**	**$3**	**$3**	**$3**
Int'l Sales	**$0**	**$3**	**$4**	**$5**	**$6**	**$6**
Total Sales	**$0**	**$5**	**$6**	**$8**	**$9**	**$9**
A&P Investment	$0 $0.7	$0.20	$0.22	$0.24	$0.27	$0.29

Zerofen

Zerofen is a 3-dose regimen broad-spectrum anthelmintic for dogs and cats. It will be launched in January of 2005 to the Grocery/Mass channel.

It will contain the active Fenbendazole for ascarids, hookworms and nematodes. Its label indications will be for the removal of Tapeworms (Taenia pisiformis), for removal of Hookworms (Ancylostoma caninum, Uncinaria stenocephala), Ascarids (Toxocara canis, Toxascaris leonina) and Whipworms (Trichuris vulpis) in dogs and cats.

The product will be packaged as granules in foil packages. The treatment regimen will be specific weight dose for 3 days in a row.

Zerofen will offer Mass/Grocery a true advancement in de-wormers. Hartz plans to position the product as the entry price-point into the wormer market to gain mass acceptance. It will replace all Piperazine de-wormers on the market.

Hartz plans to promote the product to the Mass/Grocery channel via trade advertising and conference support.

Market Projection

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
% market Share	0%	10%	15%	20%	30%	40%
US Sales	**$0**	**$2**	**$3**	**$4**	**$6**	**$9**
Int'l Sales	**$0**	**$1**	**$2**	**$4**	**$6**	**$6**
Total Sales	$0	$3	$5	$8	$12	$15
A&P	$0	$0.25	$0.28	$0.30	$0.33	$0.37
Investment	$0.1					

Cat De-wormer

Cat de-wormer is an easy-to-give 1-dose regimen broad-spectrum anthelmintic for cats. It will be launched in January of 2005 to the Grocery/Mass channel.

It will contain the actives Praziquantel for cestodes (tapeworms) and Pyrantel Pamoate for ascarids (roundworms) & hookworms. The label indication will be for the removal of Tapeworms (Dipylidium caninum, Taenia pisiformis, Echinococcus granulosus and removal and control of Echinococcus multilocularis). For removal of Hookworms (Ancylostoma caninum, Uncinaria stenocephala), Ascarids (Toxocara canis, Toxascaris leonina) in cats. Patent search

The product will be available in a chewable tablet formulation. The treatment regimen will be a specific weight dose for one complete treatment.

Cat de-wormer will offer Mass/Grocery cat owners an easier way to dose their cat. It will be priced at a premium to the current more-difficult-to-dose product available.

Market Projection

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
% market Share	0%	3%	5%	10%	15%	20%
US Sales	**$0.0**	**$0.5**	**$1.0**	**$2.1**	**$3.2**	**$4.4**
Int'l Sales	**$0**	**$3**	**$4**	**$5**	**$6**	**$6**
Total Sales	$0	$4	$5	$7	$9	$10
A&P	$0	$0.00	$0.00	$0.00	$0.00	$0.00
Investment	$0.7					

Covered under patent in Ireland through 2008