

## Directors' Report: Our Performance

## Product Pipeline

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## Novel POMs

There are currently five novel products in development. A feline gastrointestinal project has been terminated prior to any significant costs being incurred due to the market size being immaterial. A new otic product has been added to the development schedule which has significant global potential. Two other products are at an advanced stage of review and at least one is likely to be taken forward. As previously reported, there has been a short delay in the first novel product, an equine lameness medicine, due to external manufacturing issues. However, it is pleasing to report that FDA completion letters have been received on safety and efficacy for this product.

## Novel

Species	Indication	Territory	Manufacturing	2013	2014	2015	2016+
Equine	Lameness	International	Outsourced		•		
Canine	Endocrine	International	Own (in-house)			•	
Feline	Endocrine	International	Outsourced			•	
Canine/Feline	Dermatology	International	Own				•
Canine/Feline	Otic	International	Own				•

In excess of £30 million potential annual revenue and gross margin expectation in excess of 70%.

## Generics

Species	Indication	Territory	Manufacturing	2013	2014	2015	2016+
Swine/Poultry	Anti-infective	EU	Own	•			
Canine	Sedative	EU	Own	•			
Swine/Poultry	Anti-infective	Germany	Own	•			
Canine/Feline	Sedative	EU	Own		•		
Swine/Poultry	Anti-infective	EU	Outsourced		•		
Canine/Feline/Equine	Critical care	EU	Outsourced		•		
Canine/Feline/Equine	Sedative	EU	Own		•		
Dairy	Anti-infective	EU	Own			•	
Swine/Poultry	Anti-infective	EU	Own			•	
Cattle	Anti-infective	EU	Outsourced			•	
Canine	Sedative	EU	Own				•
Canine	Diuretic	EU	Own				•

In excess of £10 million potential annual revenue and gross margin expectation in excess of 50%.

Diets

Species	Indication	Territory	Manufacturing	2013	2014	2015	2016+
Feline	Orthopaedic	EU	Outsourced	•			
Canine/Feline	Critical care	EU	Outsourced	•			
Canine/Feline	Urinary	EU	Outsourced	•			
Canine/Feline	Dental	EU	Outsourced		•		
Canine/Feline	Allergy	EU	Outsourced		•		

Development programme maintains competitive position and enhances growth.

Others

In addition, there are several other exploratory projects, line extensions, territory expansions and life cycle management projects.

