

Intelletto establishes 4 key markets:

The functionality, form factor, price point and the on-board intelligence of the Intelletto products have driven market acceptance in 4 key RFID verticals:

- **Pharmaceutical:** The Recent FDA announcement (see Industry News) accelerates the need for the Pharmaceutical industry to mark all prescription drugs going into the North American supply chain. Intelletto continues to work with one of the largest, Pfizer, in confirming the authenticity of their Viagra product. Pfizer has just purchased additional unit from Intelletto. One major retail pharmacy chain is using Intelletto's technology to authenticate bottles of the drug. All parties are excited about the potential of the project.
- **Wal-Mart and DOD:** The expanding RFID initiatives by Walmart and DOD are driving a growing industry of suppliers who assist companies in identifying shipments with RFID tags. Intelletto is working with one of the largest Label Applicator System manufacturers to incorporate our new LineMaster product into their systems. The LineMaster will increase functionality, reduce the cost and eliminates the need for a PC to host Label Applicator RFID software.
- **Library:** Our pilot at the Richland Public Library (reported in our last newsletter) was a confirmed success and as a result the South Carolina library has ordered 7 - INT 101 units to use as programming systems. They are currently testing the units for additional applications. As well the Toronto Public Library system ordered 6 - INT 101 units after just one demo. These sales confirm our value in library applications and our sales efforts to date have resulted in a sales funnel of 50 units. In addition we are currently in discussions with potential partners to act as our sales and distribution channel in this important vertical.
- **Labor productivity tracking:** Our partnership with the University of Florida in bringing a productivity solution to the produce/fruit packing industry has taken a giant step forward with a second successful pilot. The process has been refined, the software tested and the hardware fine-tuned. Initial ROI numbers are very encouraging for a upcoming launch.

Intelletto News:

- Intelletto will announce the LineMaster product line in the near future. The product line is designed for automated RFID tag encoding, data acquisition and conveyor belt management in industrial environments.
- **Press Coverage:** In a recent RFID Product News the Intelletto INT 101 received industry coverage. <http://www.rfidproductnews.com/issues/2006.03/newprod/readers.php>

Industry News:

- **FDA Announcement:** FDA released the long anticipated announcement on the implementation of the Prescription Drug Marketing Act (PDMA) of 1987. FDA decided to end a temporary hold on regulations related to the PDMA. The hold—initiated because there were concerns that pedigrees would have a negative impact on small wholesalers—will expire in December.

FDA reiterated that RFID is "the most promising technology for implementing electronic track and trace in the drug supply chain", "expressing disappointment that the industry had not made greater progress on using the technology.

<http://www.fda.gov/bbs/topics/NEWS/2006/NEW01386.html>

- **Florida's Pharma Deadline:** As Florida prepares for a new law that requires pharmaceutical distributors to document who takes possession of prescription drugs as they travel from manufacturers to retail shelves, an industry debate rages on over the type of radio frequency identification technology best suited to secure the supply pipeline. Enforcement of the law is set to begin July 1, 2006 in Florida.

<http://www.techweb.com/wire/188703074>

- **Pharma Groups Respond to FDA:** According to Alan Goldhammer, associate vice president of regulatory affairs for Pharmaceutical Research and Manufacturers of America (PhRMA), the FDA's decision to enforce the PDMA may encourage RFID use. "... because no one wants to be pushing paper pedigrees around," he says. "I don't think there is any shortage of commitment to RFID on the part of the industry"

<http://www.rfidjournal.com/article/articleview/2441/1/1/>

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