



Inspired by pets, driven by innovation.



# Investor Presentation

February 16, 2011

OTC BB: OPCO  
[www.ourpets.com](http://www.ourpets.com)



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# Industry Overview



## Pet Industry Profile

- The pet industry has grown to \$50 Billion in annual sales in 2010 from \$15 Billion in 1994.
- Sales Increased over 4.0% in 2010 despite global recession.
- Driven by the “humanization” of pets.
- Market dynamics:
  - Evolving retail channels
  - Globalization
  - Rapid innovation and sophistication
  - Increased competition



## Third Largest Consumer Market

- There are 93 million cats and 75 million dogs in the U.S.
- Approximately 70 million or 63% of American homes have at least one pet – an increase of 10 million since 1992.
- Dogs produce about 10 million tons of waste and cats produce about 2-3 million tons of waste (disposed in landfills) per year
- The pet industry is estimated at **\$50 billion and growing** at an annual rate of 5-6% with such segments as pet accessories, natural products, treats and veterinary care at over 10%/year.
- The **worldwide market** is estimated at \$60-65 billion/year.



## Market Trends

- Trend toward the “humanization of pets” continues
- Americans spend \$2,101/dog and \$1,320/cat annually
- 80% dog owners and 63% cat owners give gifts to their pets
- Pets are living longer – 40% are “seniors”
- About 60 million homes are “dual species” homes
- Pet products are increasingly sold everywhere
- Increasingly, pet owners are seeking more innovative, fashionable, quality products that provide an enriched environment, solve a problem or satisfy a need

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## Business Review



## What We Do

- OurPet's Company is a growing designer, developer, producer, and marketer of accessory and consumable pet products.
- Focus is on proprietary, high growth market segments: healthy feeding systems, interactive toys, health & beauty products and waste management products for cats and dogs.
- Business Strategy: “Determine pet and pet owner needs and provide innovative solutions based on extensive knowledge about pets and engineering technologies and processes.”
- “Virtual Company” model – high response and ROI.





## What Sets Us Apart

Proprietary Products

80%

Intellectual Property

Over 100 issued or pending patents and over 50 trademarks issued or pending.

Product Development

Pipeline of new or product extensions:  
Category leadership: elevated feeders  
upscale feeding bowls, waste/odor  
management, interactive cat toys.

and

Customer Acceptance

Upscale products at affordable prices

Completely Outsourced  
Manufacturer

Over \$500,000 gross sales/employee/year

Insider ownership

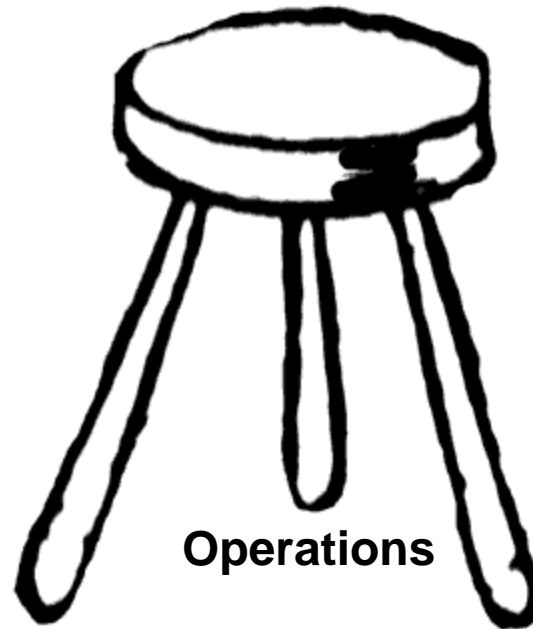
Approximately 60%

Every OurPet's associate owns OPCO  
stock or stock options



## Well-Balanced Structure

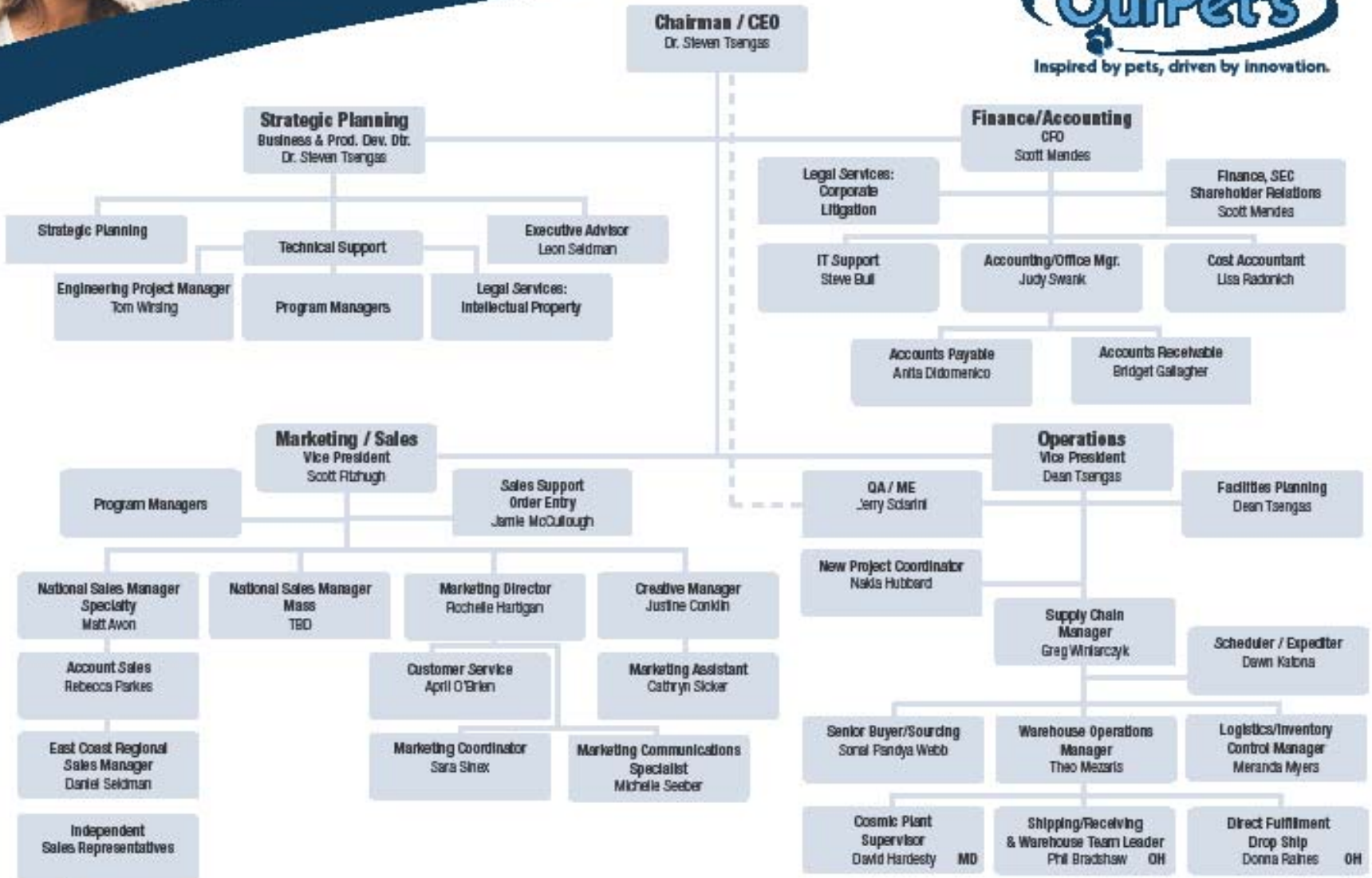
Finance, IT, and Administration: The “adhesion” that keeps the stool together.



Operations

Product Development

Marketing & Sales



- USA:  
 • 12 + Agencies  
 • 81 + Representatives  
 International:  
 • 16 + Representative



## Business & Product Development

- “Evolutionary” Products
  - Brand upgrading/enhancement
  - Brand expansion
  - Low tech/high touch products
- “Revolutionary” Products
  - High tech products – e.g. SmartScoop™ Automatic Litter Box, RFID/IR Technology, OurCat’s Choice Premium Natural Cat Litter, PNS (next generation), genetically engineered catnip, etc.
- New Businesses Formation/Launch (e.g. Pet Shelter Solutions/Petfinder, strategic acquisitions (e.g. Cosmic Products), Strategic Partnerships (e.g. Avanti Ltd)



## SmartScoop Automatic Litter Box

### COMPETITIVE ADVANTAGES:

#### • Less Expensive to Buy and Operate:

- Uses any type of clumping letter – not restricted to expensive crystals
- Reduces “good litter waste” by 85% - litter is sifted and not pushed out
- Uses inexpensive “No Touch” plastic bags instead of expensive cartridges and plastic waste containers
- Uses effective, low cost filters (foam coated with activated carbon and Zeolite) for odor control

#### • More reliable:

- Uses steel gears instead of plastic ones

#### • Cleaner Box:

- Less breakup of clumps due to unique “spatula” lift action

#### • Easier Maintenance:

- Modular design – easy to assemble and disassemble for cleaning
- Easier to repair – no need to send whole unit back

#### • Quieter:

- 20% Quieter than major competitor



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## IR, RFID TECHNOLOGIES

Pet-corp W300 Series: A Revolution in Design 04

Manual → Magnetic → Selective → Programmable

### Pet-corp W300 Series: A Revolution in Design

The Pet-corp W300 series is the world's first range of upgradeable doors, from manual through to fully programmable selective entry modes. This is a new revolutionary development in pet door design, providing the owner with ultimate flexibility in choice.

Pet owners often experience problems with stray cats after they have purchased and installed a manually operated cat door, or have multiple pets to manage. The W300 series revolutionary design allows for each door's locking mechanism to be changed via an innovative cartridge system, without the need to remove or replace the cat door.

The Pet-corp W300 door may be upgraded to either Magnetic, Selective Entry Electronic or a fully Programmable Intelligent model by simply purchasing a cartridge upgrade to suit the changed requirements.

These doors are designed to suit installation into wood doors, PVC doors, walls, glass (single and double glazed), and all glass sliding doors (ranch sliders).



**FEEDERS**

**ENTRY DOORS**

**AREA CONTROL**

**INTERACTIVE TOYS**



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Domestic  
Suppliers



Global Operations &  
Sourcing



### Strategic Partners

- Product Development and diversity of technologies
- Operational capabilities – rapid response to needs
- Cost reductions through multiple sourcing
- FOB Programs
- Supply Chain Management



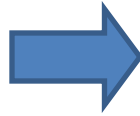
## Marketing & Sales

- Although the pet market is growing there is increasing supplier consolidation, private labels, emphasis on innovation, shorter product cycle times and competition.
- Increasing importance – recognized brands and high perceived value.
- Multichannel & promotional emphasis.
  - Pet products are sold everywhere – domestically and internationally
  - Promotions – increasing importance (especially with clubs)
- Strategic customer relationships are increasingly important – beyond quality, price and delivery. Additional services – market information, product design support, merchandising ideas, private labels, etc.





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OurPet's Corporate Logo & Brands



Store-N-Feed™



Durapet™ Premium Stainless Steel



Pamper Your Pet™

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## OurPet's Company Booth

**Launch OurPet's Company's new B2B**

**Display OurPet's Company overall brand portfolio**

**Reinforce position in the industry**

**Link OurPet's to consumer brands**

**Prospect for new customers**



View from back of booth



View from the aisle

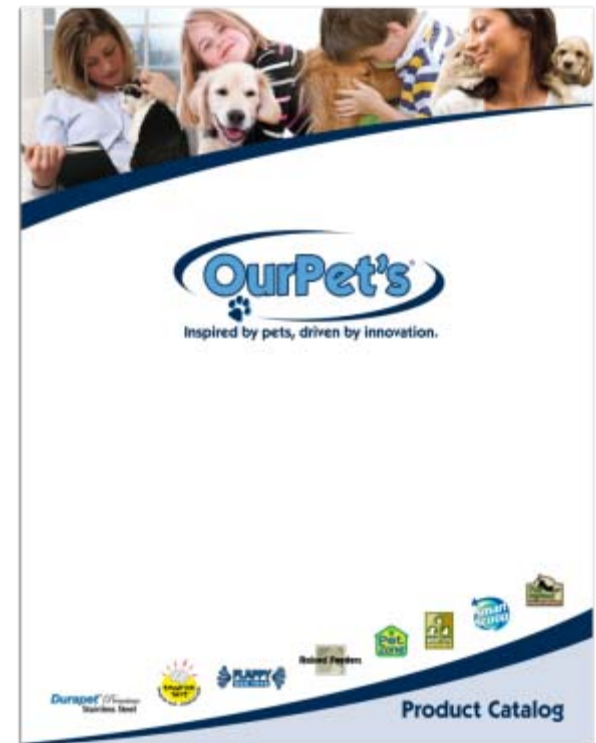


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## Marketing Materials

- Company catalog
- Updated brochures
- Display catalog new additions





## Multi-Channel Selling Strategy

- With the Cosmic acquisition, OurPet's has over 400 active accounts
- Accounts are serviced with a combination of direct sales personnel and independent brokers.
- OurPet's services customer in a wide variety of retail channels
- We ship Direct To Consumer, Direct To Store, Direct To Distribution Centers and Direct Import
- Significant growth opportunities throughout all retail channels



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## Pet Specialty



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## Grocery



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## Mass





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## Wholesale Club



## E-commerce, Catalog, Television





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## Non-Traditional Pet

**BED BATH &  
BEYOND**

**ROSS**  
DRESS FOR LESS

**T.J. MAXX**

## International

**Zellers**

**PET VALU**  
Better Pet Nutrition



**WAL\*MART**  
*International*

Currently distribute products to 15 countries, up from 7 countries in 2005.

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## Financial Review





## Recent Financing Activities

October 2009

FirstMerit Bank

- Renewed Line of Credit for \$2 million
- Negotiated \$800,000 three-year term loan
- Working capital and new product development/launch

January 2010

Preferred Share Private Placement

- \$819,000 (\$219,000 note retirement)
- Working capital and new product development/launch

April 2010

Ohio Economic Development Loan

- \$225,000 seven-year loan at 3% interest
- Future new product mold/tooling investment

July 2010

Cosmic Pet Acquisition

- \$500,000 FirstMerit Bank Cosmic Bank note retirement

October 2010

FirstMerit Bank – LOC increase to \$2,500,000

January 2011

FirstMerit Bank

- \$750,000 Temporary LOC increase to support Nestle Promotions



## Financial Goals

- Annual revenue and earnings growth of 20-25%
- Net income BT between 10%-12% of annual net revenue



## Significant Growth Opportunities

**NORMAL REVENUE GROWTH** of 20-25%: Based on current strategy of product and marketing innovation and primarily financing through cash flow generation from operations and bank borrowing.

**ACCELERATED REVENUE GROWTH** of 35-45%: Based on equity infusion and aggressive pursuit of high growth opportunities:

- SmartScoop® and Feline Cat & Odor Control Accessory category with annual revenues of approximately \$150 million.
- Aggressive development and marketing of IR/RFID products – category annual potential of over \$100 million
- OurCat's Choice Natural Premium Cat Litter with annual category revenues of approximately \$150 million and growing at over 20% per year.
- Pet Shelter Services (15,000 shelters) with potential annual revenue in the \$50+ million.
- Strategic acquisitions – due to economy, consolidation and industry requirements.

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*Thank You*

Questions & Answers

