



Message from Robert Taketomo
Pharm.D., MBA
President & CEO



July 2006

This year is surely going by fast. I am excited to share with you Ventegra's significant growth, success, and opportunity milestones.

It is with pride that I report that Ventegra is evolving into a technically superior organization. We continue to grow our team, which now consists of six pharmacists and a nationwide corps of veteran pharmaceutical industry professionals.

We are making great strides in reaching our goal of five million covered lives by the end of 2006. I have confidence that we will meet, and perhaps exceed, this goal. Given the competitive nature of this industry and confidentiality issues, we are unable to provide detailed client information in this public document. However, we would be happy to share information on our prospective clients in a confidential meeting with you, as appropriate.

Finally, we closed a significant number of pharmaceutical contracts and expect to submit our first rebate submission covering the second quarter period for our clients. The reception by pharmaceutical industry to our business model has been fantastic, and I believe that many now understand the nuances of our approach that provide important protection for a pharmaceutical company contracting with Ventegra. We are excited to present a new, transparent channel for these pharmaceutical partners and their products, providing a new level of granularity and certainty around utilization.

Please know that as we continue to grow our organization, we welcome your questions, suggestions, and value-added insights that will help Ventegra exceed the expectations of our Strategic Partners and clients. Feel free to email me at bob@ventegra.net, or call me at (858) 551-8111, ext. 109.

Ventegra's Milestones: January –July 2006

- **January:** Ventegra's Clinical Advisory Committee formed, lead by Alex Gilderman, Pharm.D.

- **January:** Launch of Ventegra Formularies – Preferred, Premium and Premium Plus.
- **February:** Inaugural Clinical Advisory Committee (CAC) Meeting.
- **March:** Staffing build-up commences in anticipation of client implementation requirements.
- **March:** **Sara Aguilera** joins Ventegra as Manager, Account Management.
- **March:** **Ashutosh Battish** joins as Administrative Assistant.
- **April:** Ventegra becomes Affiliate Partner of the California Association of Physician Groups (CAPG).
- **April: Academy of Managed Care Pharmacy 18th Annual Meeting.** In our second year at AMCP, we experienced an exceptional turnout at our invitation-only presentations. The feedback was terrific. Many attendees reported that they really understand and support our business model, resulting in requests for further meetings. In addition, our new Formularies were distributed, and garnered great support for our efforts.
- **April:** Enhanced Robo-Rebate reporting system introduced.
- **April:** **Ned Callahan, Pharm.D.** joins Ventegra as General Manager, Distribution Services.
- **April:** **Sheila Lee** joins as Manager, Clinical Programs.
- **May:** Key pharmaceutical agreements signed. Preparations begin for rebate filings commencing on period Q2 2006.
- **May:** Pharmacy Data Management, Inc. signs as client representing more than 500,000 covered lives.
- **June:** **Paula Townsend, Pharm.D.** joins as Director, Clinical Programs.
- **July:** Introduced revamped Ventegra.net website.

Product Update

- **Clinical Advisory Committee**

The Clinical Advisory Committee (CAC) is the cornerstone of Ventegra's Clinical Programs. The CAC serves as an advisory body to Ventegra, our clients, and strategic partners, by providing consultation regarding drug formularies, preferred drugs, and clinical programs associated with formulary selection. The Committee's mission is to promote safe, cost-effective, and quality drug therapy that appropriately reflects community and national standards of practice.

- **Ventegra Formularies (Preferred, Premium and Premium Plus)**

We are very pleased with the positive response we received from our Clinical Advisory Committee, the first group to review the new Ventegra Formulary book when introduced in January. In addition, we received supportive feedback from those who received our formulary books at the Academy of Managed Care Pharmacy 18th Annual Meeting in April. If you would like to receive a copy of the formulary book, please contact our corporate office at (858) 551-8111.

The Ventegra Formularies provide our clients with a choice of pharmacy products that meet all of the essential clinical conditions while addressing economic needs. Ventegra's Preferred, Premium and Premium Plus formulary drugs provide quality of care, affordability and choice.

- **Robo-Rebate System**

Our Robo-Rebate System received much feedback from our clients and strategic partners since its inception in 2005. And we listened. We developed cleaner and easier-to-read reports containing all the pertinent information necessary to make informed business decisions. In April, at AMCP, we unveiled our enhanced version of Robo-Rebate.

Media Activity

- *California Broker Magazine*, "Five Hot Pharmacy Benefit Trends for 2006," February 2006, Robert Taketomo
- *Managed Healthcare Executive*, "Drug Classes Included in Step Therapy," May 2006, Alex Gilderman
- *Healthfax*, "California Leads Nation In Part D Enrollment," May 2006, Robert Taketomo
- *HealthLeaders-Interstudy*, "State Leads Nation in Stand-Alone PDP Sign-Up," May 2006, Robert Taketomo
- *Managed Healthcare Executive*, "Healthplans Play Key Role in Implementing IT Systems," June 2006, Alex Gilderman
- *Managed Healthcare Executive*, "Top 10 Medicare Prescription Drug Plans and the Top 10 Medicare Advantage Plans," June 2006, Alex Gilderman
- *Managed Healthcare Executive*, "Understanding the Rx Tiers," July 2006, Robert Taketomo
- *CAPG Newsletter*, "Injectable Medications: A New Challenge," July, 2006, Jerry Kugler
- *Inside Consumer Directed Healthcare*, "Kaiser's HMO CDH Plans," June 23, 2006, Robert Taketomo

Industry Presentations

- *MCOL Webinar: Future Trends 2006*, January 2006, "Top Pharmacy Benefit Trends for 2006," Robert Taketomo. This presentation is also available as a podcast.