

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for January 21, 2005**  
*Copyright © Brakke Consulting, Inc.*

\*\*\*\*\*

**NEW DENTAL STUDY FROM BRAKKE CONSULTING**  
[see below](#) for details

IN THE NEWS:

earnings news:  
[Novartis](#)

other news:  
[Apothepet](#)  
[Boehringer Ingelheim Vetmedica](#)  
[IDEXX](#)  
[Intervet](#)  
[Nestle Purina PetCare](#)  
[Novartis](#)  
[Rayovac](#)  
[Schering-Plough](#)  
[United Industries](#)  
[United Pet Group](#)  
[Vetoquinol](#)

\*\*\*\*\*

**BRAKKE CONSULTING INC.  
2005 INDUSTRY OVERVIEW  
TO BE PRESENTED AT WVC**

Brakke Consulting will once again be presenting our annual overview of the Animal Health Industry at the 2005 Western Veterinary Conference. There will be a single presentation at the conference.

The Overview will be presented at the WVC on Tuesday, February 22 from 9:30 - 11:30 am.

Registration fees are \$325 for early registration for the first attendee from a company, and \$300 for additional attendees. Early registration ends February 9<sup>th</sup>.

To register, please visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com) or call Jane Morgan at 972-243-4033.

\*\*\*\*\*

### **COMPANY EARNINGS RELEASES**

> **Novartis Animal Health** reported fourth quarter 2004 sales reached \$208 million, a 16% growth over the previous year. For the full year 2004, reported sales were \$756 million or 11% over the previous year, which corresponds to a growth of 16% when adjusting the comparative base for non-core brands divested mid-2003. Sales were mainly driven by recently launched products in the companion and farm animal segment in the key markets of the US, Europe and Australia. Operating income surged by 33% in the fourth quarter and reached \$78 million in 2004, distorted by an inventory write-down (\$18 million) reported in Q3. (*company communication*)

\*\*\*\*\*

**New Dental Study Available  
from Brakke Consulting, Inc.**

Income from dental products and services now account for more than 10 percent of revenues in companion animal practices, according to the new Brakke Companion Animal Dental Study. Already one of the largest income generators, pet dentistry is growing significantly, the study shows.

In sharp contrast, pet owners have limited knowledge of pet dental health, and fewer than 20 percent of pets have had dental cleanings. So there is considerable upside potential for veterinarians.

The 2005 Brakke Companion Animal Dental Study is based on national surveys and in-depth interviews of both veterinarians and pet owners. It includes detailed information on market potential, preferences in client education materials, product use for prevention and treatment, brand loyalty, perceived brand leadership, and consumer expenditures through veterinary and OTC channels.

Reports are available immediately for \$9,500. Please contact Jane Morgan at [jmorgan@brakkeconsulting.com](mailto:jmorgan@brakkeconsulting.com) or 972-243-4033.

\*\*\*\*\*

**COMPANY NEWS RELEASES**

> **Intervet** announced the launch of Vetsulin (porcine insulin zinc suspension), the first and only insulin approved by the FDA to manage canine diabetes. Vetsulin is an injectable insulin with the same amino acid sequence as natural canine insulin. Intervet has porcine insulin approved for use in 24 countries under the name Caninsulin. (*company press release*)

> SearchDogsUSA, the official licensing arm of the National Disaster Search Dog Foundation, announced the strategic partnership between the Foundation and **Boehringer Ingelheim Vetmedica**, Inc. manufacturer of Metacam (meloxicam), making it the official osteoarthritis and anti-inflammatory drug of the Foundation's canines. As part of the partnership, Search Dog Foundation (SDF) canines will be featured in upcoming Metacam advertising and promotional materials. (*PRNewswire*)

> A vaccine that prevents liver abscesses in cattle was recently given approval by the USDA. The scientific breakthrough was made by professors at Kansas State's College of Veterinary Medicine. The KSU Research Foundation and **Schering-Plough Animal Health** have a licensing agreement to market the vaccine. Schering Plough further developed the product and worked with USDA to get license approval for the vaccine. (*FoodProductionDaily*)

> **Novartis Animal Health** introduced a new pet owner outreach program called "Growing Up With Pets" that will offer expert advice and information to pet owners with young children. Introduced under the banner of its Sentinel Flavor Tabs brand, the campaign will kick off March 1 with two key components: (1) a Web site providing information on pet health, behavioral issues, training tips and integrating pets into a home with children; and (2) an outreach program in nine select markets across the US that will educate consumers through brochures and other materials at participating veterinary clinics and pediatric clinics. (*company press release*)

> **IDEXX Laboratories** announced the launch of the IDEXX Urine P:C Ratio test for the VetTest Chemistry Analyzer. The new test consists of a urine protein slide and a urine creatinine slide, which are new capabilities for the VetTest. The Urine P:C Ratio test is the first fully quantitative

in-house diagnostic test for the assessment of proteinuria in the dog and cat. (*DVM Newsmagazine*)

> **Vetoquinol USA** announced the launch of Enisyl-F, a highly palatable lysine-based product for treating feline herpesvirus. Enisyl-F comes in a convenient dial-a-dose syringe that allows for flexible dosing. The product is suitable for kittens and adult cats. (*DVM Newsmagazine*)

> **Nestle Purina PetCare** announced the relaunch of Purina Veterinary Diets OM Overweight Management brand Feline Dry Formula. The newly reformulated diet provides a unique combination of high protein, low fat and optimal fiber levels to stimulate metabolism, promote fat loss and support satiety in managing feline obesity. This new diet will replace the original dry OM Feline formula, which, while effective for many cats, is being reformulated to meet new Purina standards for achieving feline weight loss. Because the canned OM Feline formula already meets the desired criteria, its current formulation will remain the same. (*company press release*)

> **Rayovac Corp** announced that it has reached an agreement to acquire **United Industries Corp**, a leading manufacturer and marketer of lawn and garden care products and pet supplies. Rayovac will issue 13.75 million shares of its common stock, along with additional consideration of \$70 million cash, to UIC's shareholders, for a total value of approximately \$1.2 billion, including the assumption of approximately \$880 million of UIC's debt and a cash tax benefit of \$140 million. UIC's pet division operates under the name **United Pet Group**. (*Feedstuffs*)

> **Apothepet**, a nationwide full-service veterinary pharmacy offering comprehensive veterinary pharmaceutical services, was launched recently. This new vet pharmacy offers flavored liquid medications, consultations from a full staff of registered pharmacists and veterinarians, plus herbal formulations and holistic consultations. Requests and refills are accepted by phone, fax, and online, and all medications are delivered directly to the pet owner's door and overnight if necessary. Apothepet uses the FDA-approved veterinary flavors of FLAVORx to prepare any medication in flavored liquid form. (*PRNewswire*)

\*\*\*\*\*

## **AnimalHealthJobs.com**

**The job site dedicated to the Animal Health Industry**

We believe this central site for the Animal Health Industry offers tremendous benefits to companies in acquiring the right people – efficiently and effectively. The site is free to jobseekers, and offers a variety of flexible options to employers who are actively searching for the right candidates to fill their open positions.

### **INTRODUCTORY OFFER: FREE JOB POSTINGS!**

To introduce this new service to the industry, we are waiving the \$375 fee to post a job at AnimalHealthJobs.com until **February 15, 2005**. Through this time, your company can post available positions at AnimalHealthJobs at NO CHARGE.

### **WE HAVE OVER 165 JOBS ALREADY POSTED - CHECK IT OUT!**

We invite you to follow the link below and visit the site to see for yourself how AnimalHealthJobs can streamline your recruiting or job search efforts.

[www.animalhealthjobs.com](http://www.animalhealthjobs.com)

\*\*\*\*\*

## ANIMAL HEALTH NEWS

> US - CANADIAN COWS TRACED Government officials are tracing six cows shipped into the US from the same Canadian herd as an animal with BSE. The infected dairy cow was born within one year of the others. The USDA is sending nine inspectors to Canada next week in response to this newest case. Unlike the other cases, that animal was born after Canada banned the use of cattle remains in feed. (AP)

> US - TRACEABILITY Livestock producers in seven Western states have started a pilot program to track their animals from birth to death. The Northwest Pilot Project hopes to find workable and cost-effective tracking systems in Washington, Oregon, Idaho, California, Utah, Nevada and Hawaii. Using traditional brands, ear tags, radio frequency ID tags and computer bar coding, the producers hope to successfully track 75% of the enrolled animals over the next three to four years. The western pilot project involves a coalition of cattlemen and dairy associations, state departments of agriculture, universities and other industry groups. The trial will involve about 27,000 head of livestock, mostly beef cattle and dairy cows, but also about 1,100 sheep. (AP)

> US - COMPETITIVE CHECKOFF SUIT A group challenging USDA's beef checkoff program, which duns cattle growers a dollar a head for promotional, research and outreach campaigns, had its suit to be allowed to start a competing voluntary program thrown out of court without comment. The Organization for Competitive Markets (OCM), a nonprofit advocacy group for farmers, had developed the program with two major cattle auction houses, which in turn represented hundreds of small cattle farmers. The US District Judge based in Lincoln, Neb., ruled that the plaintiffs lacked "subject-matter jurisdiction" and rejected the appeal to declare OCM's program legal. (Meating Place)

> US - HYPOALLERGENIC CATS ALLERCA Inc. announced a price increase on its first lifestyle pet, the ALLERCA hypoallergenic cat. The price increases from \$3,500 to \$5,000 per kitten for US clients and \$8,500 for international clients. The company stated that the increase is driven by the tremendous worldwide interest in the ALLERCA cat. The birth of the first hypoallergenic kitten is expected in 2006 and the first customers will take delivery in 2007. According to the company, ALLERCA received over \$50 million in expressions of interest and firm reservations in the first eight weeks following the announcement to develop the hypoallergenic cat, and the company projects an order book that will exceed one billion dollars by the end of 2007. (PRNewswire)

> US - FREQUENT FLIER MILES FOR PETS Midwest Airlines announced a new program that gives pets a free round-trip ticket for every three domestic round-trip flights they take with their owners. By contrast, Midwest's human passengers get free round trips at 25,000 miles, a mileage requirement that frequently requires more than three domestic round trips. The promotion follows a similar promotion announced last week by United Airlines, which is offering pet owners 1,200 bonus miles on up to two round-trip tickets when they fly with their pets before May 27. (AP)

> US - ELECTRICITY FROM MANURE 1,500 cows at a farm in Vermont are producing more than just milk: they're generating electricity. The methane gas from their manure is being used to produce electricity for Vermont's largest utility. According to Central Vermont Public Service Corp, this is the first time anywhere in the country that a farm-based generation has been offered to customers as a renewable choice. Other farms have generated electricity for their own use. The manure is heated up and then produces methane gas as it breaks down. The gas is collected and used to power a generator, which sends electricity onto the power grid. So far about 1,000 customers have signed on to pay about 4 cents more per kilowatt-hour for their electricity to support the farmers. Residential households ordinarily pay about 12 cents per kilowatt-hour.

(MSNBC)

\*\*\*\*\*

**Animal Health Marketing Conference**

March 31-April 1, 2005

Washington DC

CBI's Animal Health Marketing conference, March 31-April 1, 2005 in Washington, DC, convenes sales and marketing executives interested in exploring valuable promotional tools, and providing them with a networking opportunity unavailable at any other industry event. Conference highlights include an In-Depth Panel Discussion on "Understand Regulations for Veterinary Compounding." To Register or for more details please visit <http://www.cbinet.com/events/HB530/index.html> Mention HB530BC and receive \$500 off of your registration fee.

\*\*\*\*\*

**BRAKKE CONSULTING VIEWPOINT**

The news this week is a nice mix of announcements regarding new technologies and various cooperative efforts. It ranges from creating electricity from animal waste to a new canine diabetes product.

It takes investments in innovation to create new opportunities to keep the industry growing. Those companies that are not investing in new technologies will gradually find themselves falling behind the positive sales growth curve.

We appreciate those firms who utilize our services to assist them in being successful in the sourcing and marketing of new innovation.

Have a great weekend.

*Ron Brakke*

\*\*\*\*\*

*This electronic newsletter is the sole property of Brakke Consulting, Inc.  
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

Brakke Consulting, Inc.  
2735 Villa Creek, Suite 140  
Dallas, TX 75234 USA