
**Brakke Consulting's
Animal Health News & Notes for October 8, 2004**
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IN THE NEWS:

other news:

Advanced BioNutrition
Best Agrifund
COLT Technologies
Doane Pet Care
GeneThera
Hendrix Meat Group
Iams
Martek Biosciences
Nutreco
Sound Technologies
VCA Antech
VDx
Zurich Holding

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COMPANY NEWS RELEASES

> **VCA Antech, Inc. and Sound Technologies, Inc.** announced the consummation of a merger pursuant to which VCA Antech acquired Sound Technologies, Inc., the nation's largest supplier of ultrasound and digital radiology equipment to the veterinary market. Financial terms were not disclosed. *(company press release)*

> **The Iams Company** announced it will move all of its dog and cat feeding studies from all external contract facilities and universities to three locations: pet owners' homes, the Iams Pet Health and Nutrition Center and organizations where dogs and cats already live, such as animal shelters and groups that train and provide dogs to people in need. The transition will begin this year and be complete by October, 2006. Iams also announced that it has appointed Dr. Len Sauers to lead the development of alternatives to dog and cat feeding studies. Dr. Sauers' appointment will strengthen Iams' ability to support the ultimate elimination of dog and cat feeding studies in a controlled setting as scientifically valid alternatives become available. *(PRNewswire)*

> **Doane Pet Care** Company reported that it plans to refinance its senior secured credit facility with a new senior secured facility of approximately \$230 million in which Credit Suisse First

Boston will serve as the administrative agent and sole lead arranger. The new agreement will provide additional financial flexibility by extending the average maturity of the company's capital structure while maintaining liquidity and lowering debt service costs. *(Business Wire)*

> **GeneThera** Inc. announced the completion of its acquisition of **VDx** Inc., a manufacturer and distributor of veterinary diagnostic equipment and tests. Financial terms were not disclosed. *(Feedstuffs)*

> **Advanced BioNutrition** Corp. (ABN) announced an agreement with **Martek Biosciences** Corporation which gives ABN a global market exclusive for Martek's algal sources of DHA for use as feed or feed ingredients intended for aquatic organisms. The agreement also enables ABN to sell those algal sources of DHA for the nutrition and wellness of agricultural and performance animals, as well as pets. *(Business Wire)*

> **COLT Technologies** announced it has acquired from **Zurich Holding Co.** the exclusive worldwide licensing rights to a new technology that may quickly and inexpensively identify BSE. Under terms of the technology licensing agreement with Zurich, COLT Technologies will obtain exclusive worldwide licensing rights for the core-patented technology upon Zurich's successful completion of research, development and appropriate testing. COLT Technologies has also agreed to sponsor the research and development of the testing equipment. The technology could also be adapted to identify other known diseases such as avian influenza, and swine flu. *(Business Wire)*

> NETHERLANDS **Nutreco Holding** NV announced an agreement to sell its **Hendrix Meat Group** pork processing business to **Best Agrifund** NV for approximately 75 million euros (\$92 million). Hendrix has annual turnover of 450 million euros. Nutreco said the sale is part of its emphasis to focus on core activities where it can be an industry leader. *(Feedstuffs)*

ANIMAL HEALTH NEWS

> THAILAND - AVIAN INFLUENZA The Thai Livestock Department confirmed four new outbreaks of the H5N1 bird flu virus. Possible fresh outbreaks of the bird flu virus have also been reported in several other areas. So far, 92 areas in 28 provinces are under bird flu watch, of which 50 areas were confirmed to have been hit by the bird flu virus. *(AnimalNet - Reuters)*

> ITALY - BSE Italian authorities have uncovered another case of BSE, the 123rd found since testing began in 2001 and the sixth this year. The country has tested some 580,000 head of cattle so far in 2004 under a EU regulation that requires BSE tests for all cattle over 30 months of age headed for slaughter. *(Meating Place)*

> US - ANTIBIOTIC USE New data from an Animal Health Institute survey of animal health companies show that the volume of antibiotics used in animals in the US dropped nearly 8% in 2003 compared to the previous year. Antibiotic production has declined steadily since 1999. The percentage of veterinary antibiotics reported as therapeutic use was 92% in 2003, up slightly from 91% in 2002. *(AHI press release)*

> US - BEEF DATA ANALYSIS A new project undertaken by the University of Georgia will compile records of individual calves born to Georgia herds, weight gain in feedlots and final carcass characteristics at slaughter. The aim is to help farmers better understand the genetics of their calves and the final profitability of the mature cattle. The program also will lay the groundwork for tracing individual animals through the supply chain. The Georgia Beef Challenge has been collecting data from Georgia cattlemen since 1991, but the information never been analyzed as a whole. The results will be published as a handbook and used in future marketing

materials. (*Meating Place*)

> US - BOVINE GENOME The first draft of the bovine genome sequence has been deposited into free public databases for use by biomedical and agricultural researchers. Members of the Bovine Genome Sequencing Project, including the National Institutes of Health and USDA's Agricultural Research Service, believe the genome sequence will provide a number of benefits to industry, including more efficient and profitable methods of meat and milk production; improved disease management of cattle; and enhanced nutritional values in meat and dairy products. (*Meating Place*)

> US - SUPPLEMENTS The National Animal Supplement Council (NASC) announced that, following successful independent facilities audits, NASC members that have demonstrated compliance with NASC quality requirements may now use the NASC Quality Seal on their product labels. The Seal is a way for consumers to know that when they buy a product, they buy from a reputable company that focuses on product quality. (*association press release*)

> US - DOG SPA LA Dogworks, an exclusive, 24 Hour, state-of-the-art, dog mecca opens its doors on October 11th, 2004. Among the 7,500 square foot LA Dogworks center features are: (1) a 2,500 square foot indoor dog park; (2) a "Zen Den" offering the latest in dog massage, aromatherapy and anesthesia-free dental hygiene; (3) a state of the art grooming salon; (4) a hydrotherapy room featuring the only underwater treadmill hydrotherapy tank available in Los Angeles; (5) a retail store covering the gamut from holistic dog needs, to a full stock of everyday life enhancement items; (6) a "Dog Den" designed with couches and beds to enhance the overnight experience and promote the dogs' natural pack instinct, an educational library (for staff and guests) and a plasma screen TV; (7) a 34 room, 2 story double-decker freestanding Mason kennel system to attend to additional sleeping needs; (8) a "Fetch Mobile" car service to pick up and drop off the dogs; and (9) a staff of American Boarding Kennel Association certified animal care technicians. (*PRNewswire*)

**BRAKKE CONSULTING, INC.
TRANSACTION ASSISTANCE**

Transactions between companies are a substantial part of business activity. Unfortunately, that means an increasing burden on corporate staff personnel. Brakke Consulting, Inc. can provide expertise that reduces the workload and improves the process. We have represented both buyers and sellers in transactions that have included whole companies, product lines and technologies. In addition, we have performed due diligence activities prior to completion of transactions. Our experienced consultants can carry out your project with utmost confidentiality.

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BRAKKE CONSULTING VIEWPOINT

We're really quite impressed with how the industry has responded to consumer concerns regarding food safety and animal welfare. Just in this newsletter, we note that AHI has reported a reduction in the use of antibiotics and that a large percentage of those being sold are used as therapy. Whether there is scientific evidence or not to support the reduced use of antibiotics, it is happening and much of the credit has to do with improved health programs that are supported by the industry. As it relates to proper handling and animal welfare, the number of articles, university studies, producer seminars, and research has dramatically increased and is changing some habits. We believe these changes demonstrate the honest concern of those involved in the animal industry. It is better to be ahead of the curve than behind the curve on these issues.

We look forward to the first of the third quarter financial reports next week. We believe there will be some very positive reports in the next few weeks. It was a strong third quarter for most companies.

Have a great weekend.

Ron Brakke

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