
**Brakke Consulting's
Animal Health News & Notes for June 15, 2007**
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**BRAKKE CONSULTING, INC.
2007 INDUSTRY OVERVIEW AND MID-YEAR UPDATE
AT THE AVMA ANNUAL CONVENTION
JULY 16, 2007
WASHINGTON, DC**

For the first time, Brakke Consulting will be presenting our 2007 Industry Overview at the American Veterinary Medical Association Annual Convention. The Mid-Year update will include current information on the leading animal health companies, observations of successes and challenges for new product and company entries into the marketplace, and estimates for year end 2007. We'll have a special section on our expectations for the market place in 2008 for your planning purposes. We would encourage you to have your senior marketing and sales management participate in this Mid-Year update.

Early registration is \$350 for the first company attendee and \$325 for each additional attendee from the same company at the same presentation. To register online, visit our website at <http://www.brakkeconsulting.com/2007AVMA.html>. Or call Jane Morgan in the Dallas office at 972-243-4033 or email jmorgan@brakkeconsulting.com.

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COMPANY EARNINGS RELEASES

> **Del Monte Foods** reported net sales for the year ended April 29, 2007. Sales for the Pet Products segment were \$1,282 million, an increase of 50% compared to fiscal year 2006. The increase was attributable to the Meow Mix and Milk Bone acquisitions. (*company website*)

COMPANY NEWS RELEASES

> **Pfizer Animal Health** announced that Slentrol (dirlotapide) is now available by prescription in the US. Pfizer also announced the launch of BARC, or the Body Assessment Rating for Canines, a new online assessment tool designed to help dog owners determine if their dogs are overweight or obese, or are engaging in behaviors that contribute toward canine obesity. (*Business Wire*)

> **Elanco Animal Health** announced that its Pulmotil Premix for swine has now become the first product available via an electronic Veterinary Feed Directive (eVFD), which meets all FDA requirements for electronic signatures. the eVFD process for Pulmotil was created by partnering with **GlobalVetLink**. (*AnimalNet - High Plains Journal*)

> **MWI Veterinary Supply**, Inc. announced that it has completed the purchase of substantially all of the assets of **Securos**, Inc. and **International Veterinary Distribution Network**, Inc. (IVDN) for approximately \$5.0 million, including approximately \$4.5 million in cash and 13,058 shares of restricted common stock. Securos is a leading provider of veterinary orthopedic products in the US and select countries abroad; IVDN sources private label products in the categories of veterinary surgical consumables and equipment and handheld instruments. (*Market Wire*)

> **MWI Veterinary Supply** Inc. announced it has selected the city of Edwardsville, Kansas within the Kansas City Animal Health Corridor for its new Midwest distribution center. The company is leasing a 105,000-square-foot distribution center to expand its presence in the Midwest. (*press release*)

> **DiaSys** announced it has entered into a strategic agreement with the UK's Veterinary Laboratories Agency (VLA) to develop and commercialize parasitic worm egg counting test kits for cattle, horses, pigs, sheep, goats, and other exotic species. The new Veterinary Helminth Egg Counting Kits incorporate a self-contained and disposable filter assembly. Under the agreement, DiaSys will market the test kits globally. (*Animal Pharm*)

> **Monsanto Choice Genetics** announced it has begun implementing new genetic markers aligned to key performance traits into its Genepacker maternal line. Inclusion of this marker information will impact breeding animals selected for number born alive, efficient growth and lean percentage. This implementation phase uses markers from more than 2,000 unique and significant genetic markers associated with maternal performance traits. (*Pork Alert*)

> **Nanogen**, Inc. announced that it has received project funding from several Canadian agencies, including the Canadian Food Inspection Agency (CFIA). The purpose of the funding and collaborative agreement is to develop diagnostic tools for the detection of natural or potential bioterror threats to livestock, such as foot and mouth disease and avian flu, employing the company's NanoChip platform. (*CNW*)

> A joint venture between **Nutra-Flo Protein & Biotech Products** and **Genebiotech**, a Korean biotechnology firm, will create a high-tech soy fermentation facility in South Dakota, the first of its kind in the US. The new business, Nutraferma, will break ground in 2007, and production will begin in early 2008. The company will utilize advanced Korean technology and a solid-state fermentation technique to use soy and other plant-origin products to manufacture animal feeds. (*Feedstuffs*)

> **Beaphar BV** announced it has acquired **Sinclair Animal & Household Care Ltd**, home of King British and CANAC, for an undisclosed sum. The acquisition combines Beaphar's expertise in antiparasitics, care products and feedstuffs with Sinclair's knowledge of aquatics, accessories and cat and dog flea control products. (*Pets International*)

> **BrightHeart Veterinary Centers** announced that it has completed the acquisition of Katonah Bedford Veterinary Center (KBVC) in Bedford Hills, NY. The acquisition represents BrightHeart's initial entry into the veterinary industry, as it seeks to create a national network of veterinary hospitals focused on providing advanced diagnostic and treatment procedures for pets. (*company press release*)

ANIMAL HEALTH NEWS

> **US - FMD VACCINE** The USDA's Agricultural Research Service announced it is developing a new foot and mouth vaccine in cooperation with **GenVec** Inc. The vaccine, the first molecular-based FMD vaccine for cattle, has been tested on cattle and swine and is effective in both species. Additional testing is examining the vaccine's commercial viability and efficacy against various FMD serotypes. (*Feedstuffs*)

> **US - NEW WEBSITE** A coalition of meat, livestock and poultry organizations today unveiled www.balancedfoodandfuel.org, a web site dedicated to informing policy-makers, the media and the public about the impact of national ethanol policy on the industry and on consumers. The site features economic analyses, charts, third-party experts, important reading and basic facts about ethanol policy. Coalition member sponsors include the American Meat Institute, National Chicken Council, National Cattlemen's Beef Assn., National Meat Assn., National Milk Producers Federation, National Pork Producers Council, National Turkey Federation and United Egg Producers. (*Feedstuffs*)

BRAKKE CONSULTING VIEWPOINT

This week's newsletter addresses several new technologies or products entering the marketplace. As we've commented before, new technology is the future of the business. Those firms that are investing in R&D will be rewarded as they grow their business in a competitive environment. If a firm does not have new novel IP protected technology in the pipeline, that firm will find it difficult to maintain a leadership position in whatever segment it is serving.

We continue to be encouraged by the number of new companies entering the various segments of the market place with innovations. It's an exciting time in animal health with excellent growth occurring. We'll be commenting on the future technologies and products in our July 16th Overview at the AVMA in DC. Please have one or more of your staff register for this mid-year update.

Have a great weekend!!

Ron Brakke

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