
**Brakke Consulting's
Animal Health News & Notes for August 5, 2005**

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COMPANY EARNINGS RELEASES

> **Boehringer Ingelheim** reported results for the first half of 2005. Sales for the animal health division **Boehringer Ingelheim Vetmedica** were EUR 167 million (\$201 million), a 5% increase compared to the first half of 2004. (*company website*) [top](#)

> **Alpharma** Inc. announced results for the second quarter of 2005. Animal Health revenues were \$80 million compared to \$72 million in 2004, an increase of 12%. Excluding the positive impact of foreign currency and revenues related to the Aquatics operation sold in the third quarter of 2004, revenues grew 15%. Revenue growth was driven by strong sales in US livestock markets and the European region. (*company press release*) [top](#)

> **IDEXX Laboratories**, Inc. reported that revenue for the second quarter of 2005 increased 17% to \$161 million from \$137 million for the second quarter of 2004. Companion Animal Group (CAG) revenue for the second quarter of 2005 increased 17% to \$131 million from \$113 million for the second quarter of 2004. (*company press release*) [top](#)

> **Embrex** announced financial results for the second quarter ended June 30, 2005. For the quarter ended June 30, 2005, consolidated revenues were \$13.0 million, an 11% increase compared to consolidated revenues of \$11.7 million for the second quarter of 2004. Total net income for the second quarter of 2005 was \$1.2 million, compared to net income of \$0.8 million for the same quarter in 2004. (*company website*) [top](#)

> **Central Garden & Pet** Company announced record results for its fiscal third quarter ended June 25, 2005. Net sales for the fiscal third quarter were \$413 million, an increase of 10.4% from

the third quarter of fiscal 2004. Net income was \$22.2 million for the quarter, an increase of 23.6% compared to the third quarter of fiscal 2004. Net sales for the Pet Products segment were \$163 million, an increase of 12.0% compared to the third quarter of fiscal 2004. (*company website*) [top](#)

> **Tyson Foods** Inc. reported results for the third quarter ended June 30, 2005. Earnings dropped 18.6% to \$131 million, with slow pork sales and charges for a legal settlement and plant closings negatively impacting results. Revenue rose to \$6.7 billion for the quarter from \$6.6 billion a year ago on strong beef and chicken sales. (*Meating Place*) [top](#)

> **Maple Leaf Foods** Inc. reported that second-quarter earnings increased 18% to C\$33.2 million (US\$27 million), from C\$25 million, despite a drop in revenue due to lower prices for pork and poultry. Sales fell to C\$1.7 billion (US\$1.4 billion), a 1% drop over the same period in 2004. (*ThePigSite.com*) [top](#)

AnimalHealthJobs.com Summer Sale on Job Postings!

AnimalHealthJobs.com's Jobseeker database now boasts well over 900 resumes of professionals with experience or a stated interest in animal health. The site continues to receive over 4,000 hits each week. No other job site on the Internet can offer a more efficient way to reach the kind of jobseeker you're trying to reach. Shouldn't your company be posting its open positions with us?

AnimalHealthJobs.com is offering a double-your-money promotion during the month of August. Post any job on the site and the posting will remain on the site for 120 days for the standard price. That's TWICE the normal 60-day posting!

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COMPANY NEWS RELEASES

> **Novartis** announced it has won a second preliminary injunction for selling imported products to US consumers against UK-based Abbeyvet Export, an internet pharmacy. Abbeyvet maintains that the US courts do not have jurisdiction against the company in this matter. (*Animal Pharm*) [top](#)

> **MWI Veterinary Supply's** stock closed at \$21.25 for a 25% rise over its \$17 IPO price in its opening day of trading. The stock opened at \$20.14 and climbed. The shares have been listed on the Nasdaq National Market under the symbol "MWIV." The company raised about \$74 million by offering 4.33 million shares with underwriter Banc of America Securities. (*company press release, Dow Jones Marketwatch*) [top](#)

> To address the varied needs of multi-cat families, **The Iams Company** has developed Iams Multi-Cat, a single formula specifically designed to fit all shapes and sizes of healthy adult breeds. The formula's highest protein levels combine with moderate fat to help build muscle in all cats. Optimal L-Carnitine levels help burn fat for overweight cats while vitamin A levels are optimized to assist weight control. Each bag features kibble in two different shapes, and there are two flavor options: chicken or chicken and salmon. In addition, Iams Multi-Cat has other benefits for issues

faced by multi-cat homes, including a unique fiber blend to help control hairballs and litter box odor. (company press release) [top](#)

> Wellstar International announced the official launch of the Equine Division through their wholly owned subsidiary **Trillennium Medical Imaging**, Inc. Using a diagnostic modality known as thermography, TMI's Thermal Imaging System can provide information about a horse's response to training as well as the effects of injury, disease or prescribed treatment. The Equine Division will be targeting performance horses, which include thoroughbreds, quarter horses, and other equine athletes. (Business Wire) [top](#)

> **ConAgra Foods** announced that it has entered into an agreement to sell all of its remaining 15.4 million shares of **Pilgrim's Pride** back to the poultry producer for an estimated \$482 million before tax. ConAgra sold its chicken processing operations to Pilgrim's Pride in fall 2003 for \$300 million in cash and 25.4 million Pilgrim's Pride shares. The sale of the shares is expected to close August 9. (Meating Place) [top](#)

ANIMAL HEALTH NEWS

> US - SUSPECTED BSE CASE NEGATIVE The USDA's National Veterinary Services Laboratories (NVSL) in Ames, Iowa, has determined that the non-definitive test result reported on July 27 is negative for BSE. Tests conducted by the Veterinary Laboratories Agency in Weybridge, England, are also negative for BSE. NVSL and Weybridge conducted the additional testing after a non-definitive IHC test result was received last week. The initial non-definitive result was caused by artifactual staining and while this staining did not resemble BSE, it was felt that the prudent course was to conduct the additional tests. (AgWeb.com)

> RUSSIA - AVIAN INFLUENZA Russian authorities announced that an avian influenza outbreak has killed 600 geese in northern Kazakhstan between July 20 and July 30. The virus found in Kazakhstan was not the H5N1 strain, which has hit several nearby regions in Russia, and is not dangerous for humans. Authorities have culled 2,350 geese and ducks in the affected village and treated the area with chemicals. The disease has also broken out in the Pavlodar region bordering Russia's quarantined region of Novosibirsk, although the strain has not been determined. (Reuters, AnimalNet - CP Wire)

> VIETNAM - AVIAN INFLUENZA VACCINATION Vietnamese authorities are vaccinating three million birds in a southern province, as nationwide efforts got underway to contain avian influenza. The trial vaccination started in Tien Giang province, in the heart of the Mekong Delta where large-scale poultry farming abounds. (AnimalNet - Agence France Presse)

> UK - AVIAN INFLUENZA VACCINE **PowerMed**, a British firm, has developed an avian influenza vaccine which could be easily mass produced, according to company officials. The vaccine is further away from the market than others, but as it is DNA-based, it may be easier to produce than traditional egg-grown flu shots. The vaccine is expected to enter clinical trials next year. (ThePoultrySite.com)

> JAPAN - BSE TESTING Japan eased its blanket testing for BSE, a move that many hope will pave the way for the country's resumption of US beef imports. With the new protocols, cattle 20 months of age or younger can be excluded from blanket testing. Previously, all cattle in Japan were tested for BSE. The policy change came after Japan's Food Safety Commission proposed in May that the government ease testing. (Meating Place)

> US - RABBIT HEMORRHAGIC DISEASE A rabbit farm in Indiana reported that at least half the 200 rabbits on the farm died from rabbit hemorrhagic disease, a highly contagious disease

that is not endemic in the US and hasn't been reported in the US since 2001. The disease is not known to affect other animals. (*Veterinary Practice News*)

> KOREA - FIRST CLONED DOG BORN South Korean scientists announced they have carried out the first successful cloning of a dog, creating a duplicate of a three-year-old Afghan hound by using somatic cell nuclear transfer, the same technique that gave the world Dolly the Sheep. The copycat canine, born on April 24, was reported in Nature, the British weekly science journal. (*AnimalNet - Agence France Presse*)

> US - PHARMACY BILL VETOED IN FLORIDA Florida's governor vetoed a bill that would have eased requirements for the dispensing of veterinary drugs. The bill would have allowed pharmacy technicians to initiate or receive requests for original veterinary prescriptions, as well as authorizing pharmacies to receive veterinary prescriptions via fax without receiving the original prescription or other communication. The bill was actively opposed by the AVMA and Florida VMA, as well as the state's boards of veterinary medicine and pharmacy. (*Veterinary Practice News*)

> US - HEREFORD CERTIFICATION The American Hereford Association and Certified Hereford Beef LLC launched Hereford Verified, a source- and age-verification program to help producers market Hereford and Hereford-influenced cattle. To participate in the program, producers must assemble 50,000 pounds of the same-sex, uniform-weight cattle. The calves must meet the live-animal requirements for Certified Hereford Beef, including a predominant white face and only English-bred steers and heifers. (*Drovers Alert*)

> US - VETERINARY COLLEGE ACCREDITATION FEE The AVMA's executive board approved an initiative requiring all US veterinary colleges accredited by the AVMA to pay a \$10,000 fee every seven years starting in 2006. There is currently no fee for US colleges, although foreign colleges pay \$19,500 every seven years. (*Veterinary Practice News*)

BRASSE CONSULTING VIEWPOINT

It was a great week for animal health companies in the financial markets. MWI completed its IPO with a very positive result. Other companies reported nice year-over-year revenue and earnings increases and the market rewarded them. When these results are coupled with the interest of investors and equity funds in the market place, it becomes obvious that animal health has become a part of many investor portfolios.

Hopefully, venture capital funding will be next to return to the animal health market to assist in the funding of new technologies. There are a numerous opportunities waiting to be funded. If you'd like a list feel free to contact any of our offices.

Wherever you are have a COOL weekend!!

Ron Brasse

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