
**Brakke Consulting's
Animal Health News & Notes for August 11, 2006**
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COMPANY EARNINGS RELEASES

> **Boehringer Ingelheim** reported financial results for the first half of 2006. The Animal Health business continued to develop favorably, gaining 9% (+7% exchange rate adjusted) to EUR 182 million (\$228 million). ([company website](#))

> **Embrex**, Inc. announced financial results for the second quarter ended June 30, 2006. For the quarter ended June 30, 2006, consolidated revenues were \$13.3 million, a 2% increase compared to consolidated revenues of \$13.0 million for the second quarter of 2005. Consolidated net income was \$0.5 million for second-quarter 2006, a 57% reduction in comparison to second-quarter 2005 net income of \$1.2 million. ([company website](#))

> **eMerge Interactive**, Inc. announced results for the three months ended June 30, 2006. Revenues were \$334,000 compared to \$335,000 in the comparable prior-year period. Net loss

for the second quarter of 2006 was (\$1.5 million), compared to \$2.4 million in the same quarter last year. (*company press release*)

> **The Provimi Group** announces its turnover for the first six months of 2006. Sales increased by 15.4% to EUR 857 million (\$1,075 million). Volumes and sales showed an increase in almost all countries. New acquisitions contributed EUR 30.6 million to sales. On a like-for-like basis, sales growth was 7.6% over the period. (*company website*)

> **Gold Kist Inc.** posted a net loss of (\$7.3 million) for the three months ended July 1, compared with a net profit of \$44.4 million a year ago. Revenues dropped to \$505.3 million from \$598.8 million in the same period last year. (*Meating Place*)

> **OurPet's Company** reported financial results for its second quarter June 30, 2006. Net revenues for the 2006 second quarter increased 23% to \$2.2 million from \$1.8 million in the same period a year ago. Net income for the 2006 second quarter was \$23,615, compared to \$74,875 in the 2005 second quarter. (*Business Wire*)

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COMPANY NEWS RELEASES

> **Pfizer Animal Health** announced a partnership with **AgInfoLink** to offer age and source verification along with the Pfizer SelectVAC program. SelectVAC will allow producers to market their preconditioned high-health calves to a wide range of buyers, raise calves that can fit export verification standards, and protect the confidentiality of herd data. (*company website*)

> **Novartis Animal Health** announced the introduction of Ethicon Products' Monocryl Plus Antibacterial monofilament suture. Monocryl Plus, together with Vicryl Plus Antibacterial sutures, gives veterinarians two choices for surgical procedures where the presence of bacteria is a concern. (*company press release*)

> **Virbac Corporation** announced that **Virbac S.A.** ("VBSA") revised its proposal to acquire all of the outstanding shares of common stock not already owned by VBSA or its subsidiaries from \$4.85 per share in cash to \$5.25 per share in cash, representing an aggregate all cash purchase price of approximately \$47.4 million. The revised proposal represents an increase of 8% from the proposal by VBSA announced on July 11, 2006 and an increase of 27% from the original proposal by VBSA announced on December 13, 2005. VBSA, through its wholly-owned subsidiary Interlab S.A.S., is the largest stockholder of Virbac and is the beneficial owner of approximately 60.1% of Virbac's outstanding common stock. (*PRNewswire*)

> **eMerge Interactive** announced that it is working with **Cattleman's Choice Loomix, Pfizer Animal Health** and **Zinpro** Corporation to create the Per4mance Verified Program, a new opportunity for cattle producers to meet the nutritional, animal health, data services and age verification needs in a single comprehensive program. The Per4mance Verified Program is a cooperative effort between leading nutritional, animal health and data services companies to reduce variables in the beef production system while providing producers the information needed to make better decisions, develop systems to meet consumer demands and increase profit. The

program is based on four critical production parameters: health verification, nutrition verification, age verification and data management. (*PRNewswire*)

> **Benchmark Biolabs** announced approval by the National Center for Import and Export for Biosafety Level 3-Ag status at its Nebraska clinical facility. The approval expands Benchmark's array of services, since BSL-3 status is required by NCIE for research involving certain infectious agents, including avian influenza. (*company press release*)

> **MGP Ingredients** Inc., a former supplier of key ingredients in Greenies dog chews, is suing **S&M NuTec** LLC, the maker of Greenies, and its parent **Mars** Inc. The suit alleges damages in excess of \$75,000 for each of four counts: patent infringement, breach of contract, interference with a contract and misappropriation of trade secrets. The suit also seeks an injunction halting Mars and S&M NuTec from infringing on patented MGP ingredients and from interfering with MGP contracts. (*Kansas City Business Journal*)

> **Smithfield Foods** and its partner **Oaktree Capital Management**, LLC, completed the acquisition of **Sara Lee** Corp.'s European meat business, and announced that the **Groupe Smithfield** 50/50 joint venture would be headquartered in Paris. Groupe Smithfield paid \$575 million plus up to \$39 million in pension liabilities for Sara Lee's European meat brands. (*Meating Place*)

> The Federal Court ruled that **Rockway**, Inc. has exclusive rights to the patent for the heat detection aid now marketed as Estrotect. Formerly marketed as Estru\$ Alert from Western Point, Inc., the product was previously exclusively distributed by Universal Cooperatives, Inc. (*company press release*)

> **MiracleCorp Products**, a grooming products company, announced the acquisition of **Hamilton Products**, Inc., a manufacturer of leashes, collars, halters and leads for small animals and horses. Financial terms were not disclosed. (*Pet Business*)

> UK **Phytopharm plc** announced the UK launch of Zanthofen, its plant based product for the maintenance of canine joint mobility. Zanthofen will be available to veterinarians across the UK and launched in collaboration with **Genitrix** Ltd. (*investinbiotech.com*)

ANIMAL HEALTH NEWS

> US - FEED RECALLED The FDA announced two recalls, one for 27 million pounds of feed produced in Michigan and the other an unknown amount of feed produced in Kentucky. Both were suspected of being adulterated with ruminant or mammalian protein, including ruminant meat and bone meal in the second recall. Vita Plus Corp. (MI), recalled 27.7 million pounds of dairy feed produced between February of 2005 and June 16, 2006, because it is believed it was contaminated with mammalian protein. The feed was distributed in Michigan and the recall is complete. Burkmann Feeds LLC (KY), recalled an unknown amount of custom feed because it contains an ingredient called Pro-Lak, which may contain ruminant-derived meat and bone meal. The Burkmann feed was distributed in Kentucky. (*Meating Place*)

> US - AVIAN INFLUENZA MONITORING EXPANDED As part of the "An Early Detection System for H5N1 Highly Pathogenic Avian Influenza in Wild Migratory Birds - U.S. Interagency Strategic Plan," the USDA has completed cooperative agreements with 48 states thus far and is finalizing agreements with two other states, which cover all 50 states in the four major US migratory bird flyways. These agreements provide nearly \$4 million for state agencies to sample specific species of migratory birds at appropriate sites under plans coordinated through the four national flyway councils. (*Wattnet Meatnews*)

BRAKKE CONSULTING VIEWPOINT

There are several articles in this and last weeks' newsletters that indicate that food safety in the animal health area is starting to take shape. We've felt for several years that larger companies would some day assist the smaller electronic ID and software companies in reaching the producers. Congratulations to those firms involved in the new alliances and agreements.

When one sees two feed recalls within one week for significant amounts of possibly contaminated feed, it's reassuring to know that not too far in the future, animals that may have eaten that feed will be tracked down within a very short period of time.

Have a great weekend!

Ron Brakke

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