

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for September 28, 2007**  
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon, DVM, MBA

\*\*\*\*\*

IN THE NEWS:

earnings news

[Neogen](#)

other news

[Banfield](#)

[Chemaphor](#)

[Degussa](#)

[Dow AgroSciences](#)

[Elanco](#)

[Evonik](#)

[Fort Dodge](#)

[Hartville Group](#)

[Imugene](#)

[Intervet](#)

[Kylin Therapeutics](#)

[Laboratoires Biove](#)

[Lipoxen](#)

[Merial](#)

[Monsanto Choice Genetics](#)

[Newsham Genetics](#)

[SmartPak Equine](#)

[VMD](#)

[Wedgewood Pharmacy](#)

\*\*\*\*\*

**COMPANY EARNINGS RELEASES**

> **Neogen** Corporation announced that its net income for the first quarter of FY 2008, which ended Aug. 31, increased 25% from the previous year's first quarter to \$3.0 million. First quarter revenues increased 13% to \$22.9 million, representing a record for revenues in any quarter for the 25-year-old company. First quarter sales for Neogen's Animal Safety Division increased to \$9.15 million. (*company press release*)

\*\*\*\*\*

**BRAKKE CONSULTING, INC.**  
**Executive and Sales Force Recruiting Services**

Since 1986 Brakke Consulting, Inc. has successfully assisted many clients in acquiring exceptional employees at all levels, in the many departments of animal health, pet, veterinary and specialty chemical companies. We pre-qualify candidates, allowing clients to choose from a few of the best applicants for a position. Our approach increases the efficiency and effectiveness of the Human Resources Departments of client companies. Visit with one of our recruiting specialists today to find out how we can help you hire the best candidates.

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

\*\*\*\*\*

## COMPANY NEWS RELEASES

> **Intervet and Lipoxen PLC** announced an exclusive worldwide development and licensing agreement to develop a sustained-release insulin for the veterinary health market. The agreement will enable Intervet to access Lipoxen's PolyXen drug delivery technology. Lipoxen will get an upfront payment from Intervet, and will receive milestone payments and royalties. Lipoxen is currently developing a human sustained-release insulin which is expected to enter clinical development prior to the end of 2007. (*Hemscott.com*)

> **Kylin Therapeutics, Inc.** announced it has signed a collaboration with **Fort Dodge Animal Health** to develop new RNAi therapeutics for the treatment of cancer. Under the terms of the three-year contract, Kylin will receive research funding, milestone payments and royalties. Kylin will use its patented RNA nanoparticle technology called "pRNA" to explore the potential of RNA interference (RNAi) and develop new RNA-based therapeutics for the treatment of cancer. In return for its participation in this effort, Fort Dodge will receive an exclusive license to the pRNA/RNAi therapeutic compounds for the treatment of cancers in companion animals. (*Nanowerk.com*)

> **Chemaphor** announced that it has received proceeds from its collaborative research, license, and commercialization agreement with **Elanco** to license its OxBC technology. The two companies initially announced the licensing agreement last December. OxBC is a non-pharmaceutical mixture of carotenoid oxidation compounds that Chemaphor has been developing for use as a production animal feed additive to improve feed conversion and growth promotion. (*Animal Pharm*)

> **SmartPak Equine** announced a \$25 million equity investment by North Bridge Growth Equity (NBGE). SmartPak also announced that Ian Parker has joined the company as President. Mr. Parker served most recently as General Manager of **Vetoquinol USA, Inc.** (*company press release*)

> **Banfield, The Pet Hospital**, announced that John Payne has been appointed its new chief executive officer. Mr. Payne succeeds Dr. Scott Campbell, who retired in July but remains as chairman of the board of directors. Mr. Payne was named interim CEO at the time of Dr. Campbell's retirement. (*Animal Pharm*)

> **Newsham Genetics**, the largest private pig genetics company in the US, announced it has agreed to acquire **Monsanto Choice Genetics** to expand its business. Financial terms were not disclosed. (*Animal Pharm*)

> **Wedgewood Pharmacy** introduced the Twist-a-Dose transdermal applicator, an innovative package that makes it easier and safer for veterinarians and pet owners to administer precise doses of custom-compounded medications to companion animals. Instead of the old 1-ml plunger-type topical syringe, Twist-a-Dose requires just two twists of a clearly marked rotating end cap to dispense the precise dose required. (*company press release*)

> **Dow AgroSciences** announced the signing of a license agreement with the University of Guelph that provides Dow with exclusive rights to the leukotoxin antigen LKT-50. Researchers at the University have isolated and modified the gene for the antigen that produces an immune response against *Mannheimia haemolytica*. Dow said it licensed the gene to use in its Concert Plant Cell Produced System to develop a vaccine for shipping fever. (*Feedstuffs*)

> **Imugene** Limited reported it has substantially expanded its vaccine developments based on the increasing productivity of its La Trobe University based laboratory and US trial facility. The expanded program includes two new poultry vaccines and two new avian influenza vaccines for H7 and H9 virus strains to complement the successful H5 avian influenza vaccine. Another confidential project has been added to Imugene's pig vaccine development portfolio. (*company press release*)

> **Evonik Industries** is the new name adopted for the amino acids and specialty chemicals business of **Degussa** in Germany. The company also reported it has decided to modernize and reactivate its second DL-methionine production facility in Belgium in order to meet the continuing global demand for methionine. (*Pig International*)

> **Hartville Group**, Inc. announced that it has successfully obtained \$2 million in funding from existing investors. Hartville Group, Inc. is a holding company whose wholly owned subsidiaries include Hartville Re Ltd. and Petsmarketing Insurance.com Agency, Inc. (*Business Wire*)

> EU **Merial** announced it has obtained its European Registration from the EMEA for its CIRCOVAC swine vaccine. The company also announced the UK launch of CIRCOVAC. It is the UK's first vaccine for PCV2, the virus involved in post-weaning multisystemic wasting syndrome (PMWS) and other PCV2 -related diseases. Launches in other EU member states will follow. (*PigSite newsletter*)

> EU KBC Private Equity, part of Belgian KBC Group NV, announced that its veterinary business **VMD** has acquired **Laboratoires Biove**. The two companies will reportedly have consolidated sales of over EUR 30 million. (*Forbes*)

\*\*\*\*\*

## **ANIMAL HEALTH NEWS**

> UK - BLUETONGUE The first-ever case of bluetongue has been found in a British animal. The strain of bluetongue virus detected in a British cow is the same as that found recently in northern Europe. Serotype 8 has been found in Belgium, France, Germany, Luxembourg and Netherlands since August 2006. Later in the week, four other cases were confirmed. (*The Press Association, Times Online, Norfolk Eastern Daily Press*)

> US - BLUETONGUE Bluetongue has been confirmed in tests from eight flocks of sheep in six Montana counties. A quarantine has been imposed, prohibiting the transportation of sheep from 16 of Montana's 56 counties. The quarantine is in effect until October 10, at which time officials expect the cold weather to eliminate the gnats that carry the disease. (*AnimalNet - AP*)

> UK - FMD The British government has confirmed a seventh positive test for foot and mouth disease within existing protection zones in Surrey, where previous cases were located. All cattle at the farm will be culled and restrictions on movement of livestock in the area will remain in place. Cattle movements in other parts of England, which DEFRA has designated as low risk, may begin under certain conditions. (*AnimalNet - Inthenews.co.uk*)

> CANADA - AVIAN INFLUENZA Canadian Food Inspection Agency (CFIA) officials confirmed the presence of the H7N3 strain of highly pathogenic avian influenza in a broiler breeder flock of 50,000 birds located 80-90 kilometers from Regina, Saskatchewan. The virus is not the same as the H5N1 strain circulating in Asia, Africa and Europe. CFIA euthanized the flock, but currently no other flocks were within the distance range of needing to be culled. (*Feedstuffs*)

> US - GENETIC MANIPULATION Researchers at the University of Pennsylvania School of Veterinary Medicine have demonstrated the potential of a new strategy for genetic modification of

large animals. The method employs a harmless gene therapy virus that transfers a genetic modification to male reproductive cells, which is then passed naturally on to offspring. Researchers introduced adeno-associated virus, AAV, to male germline stem cells in both goats and mice, which stably transduced male germ line stem cells and led to transgene transmission through the male germ line. The findings are available online in The FASEB Journal and in the February 2008 print edition. (*Science Daily*)

\*\*\*\*\*

## **BRAKKE CONSULTING VIEWPOINT**

As companies end the third quarter of the year, most of the signs are positive for the industry. We believe companies will report continuing increases in sales and profits for the period. We look forward to the actual third quarter reports.

We can also feel the momentum building for the 2008 season. The number of new product introductions in the 4th quarter of 2007 and early 2008 will be above normal levels. Some of the product segments will become very crowded and it will be interesting to watch the sales and marketing strategies develop. Will these new products create new customers increasing the market size, or will they only dilute the shares of other brands? Everyone benefits when the market size increases.

This week's newsletter has a number of interesting announcements related to new technologies in various product categories and species that are making their way towards the marketplace. It's great to see innovation moving into the development pipelines of industry participants. These and other new technologies or products should assist companies in achieving their revenue increases in the future.

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