
**Brakke Consulting's
Animal Health News & Notes for September 30, 2005**
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COMPANY EARNINGS RELEASES

> **Neogen Corporation** announced that its net income for the first quarter of FY 2006, which ended Aug. 31, increased 35% from the previous year's first quarter net income, to \$2,140,000. Neogen's first quarter revenues were \$16.8 million, a 10% increase compared to the prior year. Neogen's Animal Safety Division led the company's first quarter revenue increase, with sales up 13% to \$9.1 million in FY 2006. The quarter marked the 50th consecutive profitable quarter from operations for the company, and was the 54th of the past 59 quarters when Neogen reported revenue increases as compared with the previous year. *(company press release)*

> **Bioniche Life Sciences Inc.** announced financial results for fiscal year 2005 ended June 30, 2005. The Company's consolidated revenues for fiscal year 2005 reached C\$30.3 million (US\$24.7 million) as compared to C\$31 million for fiscal year 2004, a 2% decrease. The loss before the discontinued operations reached (C\$12.0 million) in 2005 as compared to a loss of (C\$8.3 million) in 2004. In 2004, financial statements included a C\$1.7 million one-time gain due to a debt settlement. The company cited the impact of BSE on the Canadian beef industry, the negative impact of the sharp rise of the Canadian dollar on US dollar revenues, and the discontinuation of certain product lines which were offset by product additions such as Cue-Mate and the AB Technology product portfolio. This year, the Company launched two new animal health products: Settle and Enhance, which fall into its immunology/reproduction and osteoarthritis areas of focus. The Company also established a full-time sales office in Europe to expand animal health sales in the European Union and the Middle East. *(Newswire, CNW)*

NIAA ID INFO Expo
September 27 - 29, 2005

An extensive discussion of the proposed National Animal Identification System drew nearly 600 attendees and 33 exhibitors to the ID Info Expo in Chicago this week. The event was hosted by National Institute for Animal Agriculture. Presentations covered progress on the development of identification systems at the national and state levels, as well as reports from species-oriented working groups. Attendees also heard presentations on successful implementation of identification systems in countries such as Australia and Canada. Most major livestock and industry associations were represented on the program.

COMPANY NEWS RELEASES

> **Merial** and **Scynexis** announced a collaboration under which Scynexis will help Merial discover and develop antibacterial and antiparasitic treatments that are safer, easier to administer and more effective than existing drugs. The research will focus on treatments for cats, dogs and horses. Over 15 years, the collaboration could bring Scynexis \$150 million in research funding and an estimated \$50 million for achieving development milestones. Merial also will pay Scynexis royalties on sales of drugs that come out of the collaboration. (*NewsObserver.com*)

> **Farnam** announced that Horseshoer's Secret has added three new products to its line of hoof care products: Horseshoer's Secret Deep-Penetrating Hoof Conditioner, Horseshoer's Secret Thrush Treatment, and Horseshoer's Secret Hoof Sealant. The three new topical treatments were scientifically formulated to address the most common hoof problems. (*company press release*)

> **Eight in One Pet Products** announced the launch of Safe-Guard Canine Dewormer, the first quad dewormer for the pet specialty trade. Safe-Guard contains fenbendazole granules and is effective against hookworms, whipworms, roundworms and tapeworms. (*Pet Product News*)

> CVC Capital Partners announced it is involved in "advanced discussions" with China National Chemical Corporation (CNCC) regarding the possible sale of Drakkar Holdings SA to CNCC. Drakkar's principal business is **Adisseo**. CNCC is one of the largest participants in the Chinese chemicals sector. (*company press release*)

> **ABAXIS**, Inc. announced that the Company's distribution partner in Japan, **Chatani**, has received clearance from the Japanese regulatory agency to import and market the complete line of ABAXIS' human reagent rotors, the Piccolo blood analysis system, as well as all veterinary reagent rotors, the VetScan analysis system, with the exception of those containing the Bile Acid assay. This allows the addition of the Comprehensive Diagnostic Plus Profile, Avian-Reptilian Profile, Large Animal Profile and T4-Cholesterol Profile to the VetScan menu. (*PRNewswire*)

> **Eklin Medical Systems** announced it has acquired **Elinc Corporation**, a provider of veterinary practice information management system (PIMS) software. The combined companies will offer Elinc's VIA Veterinary Practice Information Management System fully integrated into Eklin's Digital Practice architecture. The companies previously announced a strategic collaboration agreement approximately one year ago. Financial terms were not disclosed. (*PRNewswire*)

> **MSC** (formerly Milk Specialties Company) announced the sale of its companion animal business, **Buckeye Feed Mills** Inc., to **Mars** Inc. Buckeye Feed Mills is a manufacturer and supplier of premium equine nutrition products, pet foods and nutritional supplements under the Buckeye brand. MSC said the sale will allow Buckeye to grow while also focusing on its core

strategies in the production animal industries. Financial terms were not disclosed. (*Feedstuffs online*)

> **Alltech** announced that the FDA recently gave Alltech a letter of non-objection, allowing the use of Sel-Plex in canine diets. Sel-Plex provides an organic selenium presented in the same forms found in nature. Since 2000, Sel-Plex has received FDA approval for use in chicken, turkey, swine, and, most recently, beef and dairy feeds. (*company website*)

**Brakke Consulting, Inc.
2006 U.S. Animal Health Manufacturers, Distributors & Services Directory – Updating
Company Information**

TWO WEEKS LEFT TO BE INCLUDED

To be included in Brakke's 2006 directory at no charge, update your listing and fax it to 972.243.0925 by **October 15th**. The 2006 directory will have current contact information, website addresses, general email addresses, company descriptions, and key personnel for 275 or more companies in the animal health, pet product, and related industries. To request information on how your company can be listed or to request an order form with prices, contact Jane Morgan at 972.243.4033 or email her at jmorgan@brakkeconsulting.com.

ANIMAL HEALTH NEWS

> **US - FDA HEAD RESIGNS** In a surprise move, Food & Drug Administration Commissioner Dr. Lester Crawford announced he has resigned from his post late this afternoon. News came in a letter sent to all FDA employees. Sources confirm that his resignation was accepted and is effective immediately. In a memo to all FDA employees, Crawford said "at the age of 67, it is time to step aside." Crawford was the first veterinarian to head the agency. (*Feedstuffs online*)

> **US - AVIAN INFLUENZA INITIATIVE** The US announced the creation of International Partnership on Avian and Pandemic Influenza, an international partnership to combat avian influenza by enhancing medical readiness to prevent or contain a global influenza pandemic in humans. The partnership has developed a set of principles to enhance preparedness, prevention, response and containment of the disease. International health officials are responding to an especially virulent avian influenza virus that has spread to 10 countries and led to the deaths of more than 150 million birds since this latest outbreak began in late 2003. (*USInfo.state.gov*)

> **ASIA - REGIONAL FUND TO FIGHT ANIMAL DISEASES** The Association of South East Asian Nations (ASEAN) approved the creation of a regional fund to fight avian influenza and other animal diseases. ASEAN will also endorse a global plan to contain avian influenza, which has killed 66 people in four Asian countries since late 2003 and led to an estimated \$15 billion in losses for the poultry trade. The fund would also be used to prevent the spread of other illnesses affecting animals such as foot-and-mouth disease and hog cholera. ASEAN comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. (*Reuters AlertNet*)

BRAKKE CONSULTING VIEWPOINT

At NIAA's conference on animal identification this week there was polite but heated debate on the national animal ID system that is under development. There are widely divergent opinions on

whether the database should be public or private, how it should be accessed and maintained, and who should pay for it.

Interestingly, the biggest beneficiaries of the system will probably be producers themselves. Several livestock producers presented case histories on the use of individual animal ID in their operations. In virtually all cases, profitability increased because the system improved the amount, quality and timeliness of management information.

While the birthing process for the national animal ID system is somewhat painful, we think most participants will find the baby pretty attractive.

Have a great weekend.

John Volk, Chicago

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