

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for January 28, 2011**  
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon, DVM MBA

\*\*\*\*\*

IN THE NEWS:

Brakke news  
[2011 Industry Overview](#)

earnings news

[Abaxis](#)  
[Elanco](#)  
[Hill's](#)  
[IDEXX](#)  
[PetMed Express](#)  
[Vetoquinol](#)  
[Virbac SA](#)

other news

[Abaxis](#)  
[Ceva](#)  
[Dechra](#)  
[Dorskoci](#)  
[DVM Solutions](#)  
[Eurovet](#)  
[Hill's](#)  
[IDEXX](#)  
[iVet](#)  
[McAllister Software Systems](#)  
[Midmark](#)  
[ThermoGear](#)

\*\*\*\*\*

**REGISTER NOW FOR  
BRAKKE CONSULTING'S 2011 INDUSTRY OVERVIEW  
AT WVC**

Brakke Consulting will be presenting its annual US Animal Health Industry Overview at the Western Veterinary Conference in 2011.

**WVC Overview**

Date: **Tuesday, February 22, 2011**

Time: 2:00 - 4:00 pm

Place: The Four Seasons Hotel, Las Vegas

To register, go to [www.brakkeconsulting.com](http://www.brakkeconsulting.com) and look for the Overview link in the "What's New" box. Payment by major credit card is required at time of registration.

\*\*\*\*\*

**COMPANY EARNINGS RELEASES**

> Eli Lilly and Company announced financial results for the full year 2010. Revenues for Animal Health division **Elanco** were \$1.39 billion, an increase of 15% compared to the prior year. *(company press release)*

> **Virbac SA** reported financial results for the full year 2010. Total provisional annual sales were EUR 573 million (\$759 million) compared to EUR 467 million in 2009, an increase of 23%. *(company website)*

> **Vétoquinol SA** reported results for the full year 2010. Revenues at EUR 282 million (\$374 million) grew by 12% in 2010 as compared to the previous financial year, and by 7% on a constant foreign exchange basis. *(company website)*

> **IDEXX Laboratories** announced that revenues for the year ended December 31, 2010 increased 7% to \$1.1 billion. Net income for the year was \$141 million, an increase of 16%. Companion Animal Group revenue was \$906 million, an increase of 7%. *(PR Newswire)*

> **Abaxis** reported results for the third quarter of fiscal 2011 ended December 31. Veterinary market sales were \$26 million, an increase of 10% compared to the third quarter of the prior year. *(company press release)*

> Colgate-Palmolive reported results for the full year 2010. Sales for **Hill's Pet Nutrition** were \$2.08 billion, a decline of 2% compared to the prior year. *(company website)*

> **PetMed Express, Inc.** announced its financial results for the third fiscal quarter ended December 31, 2010. Net sales were \$45.1 million, a decrease of 6.7% compared to the comparable period in the prior year. Net income was \$4.5 million compared to net income of \$5.6 million, a decline of 20%. *(company website)*

\*\*\*\*\*

## COMPANY NEWS RELEASES

> **iVet, LLC** announced a partnership with **Dechra Pharmaceuticals, PLC**, to manufacture and distribute Specific brand therapeutic diets in North America. Specific foods for dogs and cats have been distributed throughout Europe for over thirty years, exclusively to veterinarians. *(company press release)*

> **IDEXX Laboratories, Inc.** introduced its newest offering in digital radiography, the IDEXX I-Vision CR Digital Imaging System. The new IDEXX I-Vision CR consistently delivers high-quality images in less than a minute with a flexible cassette-based design. *(company website)*

> **Abaxis, Inc.** announced that it has formed a strategic alliance with Kansas State University, K-State Veterinary Diagnostic Lab, and the commercial arm of Kansas State University, the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC). This alliance will provide a full service commercial laboratory for veterinarians across the US. *(PRNewswire)*

> **ThermoGear, Inc.** and **DVM Solutions** announced the rollout of a new high technology veterinary surgical system, the ChillbusterVET Surgical Blanket and Cage Mat. The new ChillbusterVET system is a safe temperature controlled and stabilized source of warmth for the pre-surgical, surgical and post-surgical care of animals. *(PRNewswire)*

> **Hill's Pet Nutrition** Inc. announced the US launch of Hill's Science Diet Healthy Advantage, a new line of veterinary exclusive multi-benefit pet nutrition. Science Diet Healthy Advantage will be available in both growth and adult formulas for dogs and cats. (*Veterinary Advantage*)

> **Midmark Corporation** announced the launch of Tidalguard HD, a new hand-held capnograph and digital pulse oximeter. About the size of a smart phone, Tidalguard HD is the smallest capnograph on the market. (*Veterinary Advantage*)

> **McAllister Software Systems** launched a new picture archiving and communication system (PACS) called DragonflyPACS. DragonflyPACS utilizes an industry-leading image processing system created by OR Technology in Germany. (*company press release*)

> Wind Point Partners, a Chicago-based private equity firm, announced that it has acquired **Doskocil Manufacturing Company**, Inc. (d/b/a Petmate). The purchase of Doskocil is Wind Point's first in the pet product industry. Financial terms were not disclosed. (*Pet Business*)

> UK **Ceva Animal Health** announced the launch of Emeprid (metoclopramide), an anti-emetic and pro-kinetic treatment for dogs and cats, in the UK. (*Animal Pharm*)

> UK **Eurovet** announced the launch of a licensed metoclopramide formulation for dogs and cats in the UK. Vomend can be used to treat vomiting and reduced gastrointestinal motility in both species. (*Animal Pharm*)

\*\*\*\*\*

## ANIMAL HEALTH NEWS

> JAPAN - AVIAN INFLUENZA Japan has confirmed that six chickens found dead at a farm in Miyazaki, Japan were infected with a highly pathogenic avian flu virus. Thirty others were also found dead and the discovery has caused all further 10,000 chickens at the farm to be culled. A further 51 farms in a 10-km radius have also been ordered not to move their birds or their eggs. (*examiner.com*)

> US - REGENERATIVE MEDICINE The Wake Forest Institute for Regenerative Medicine announced that it has formed a veterinary regenerative center with the Virginia-Maryland Regional College of Veterinary Medicine. The Virginia Tech/Wake Forest Center for Veterinary Regenerative Medicine will have researchers from both organizations developing new treatments for animals and humans. (*Winston-Salem Journal*)

> US - FOOD SAFETY RESEARCH Kansas State University announced it is building a new research center dedicated to improving the quality and safety of animal feed. The Cargill Center for Feed Safety Research, in part funded by a \$500,000 donation from the **Cargill**, will offer facilities for the study of pathogens such as Salmonella and Escherichia coli. The center is expected to open in late 2012. (*Animal Pharm*)

\*\*\*\*\*

## BRASSE CONSULTING VIEWPOINT

The first companies to report 2010 results are setting the bar fairly high for others to follow. When we completely close the books on 2010, we think we'll find it was generally a positive year even though there were some bumps in the road along the way.

Our annual review of the industry presented at Orlando described some of the difficulties in the marketplace. We also covered some of the issues facing the industry in 2011. Two of those major issues are the price of corn and energy. Yesterday, March corn futures closed at \$6.57 a

bushel with a prediction that July corn futures will reach \$7.00 per bushel. You're already seeing the high commodity prices impacting many consumer food prices. If gasoline hits \$4.00 per gallon this summer as many are predicting, we could be in for a difficult time in the second half of 2011. Consumer spending is likely to be impacted negatively, as it was in 2008.

A number of the market studies we've been involved with the past three years all indicate that there are changes occurring in the marketplace in consumers' purchasing behavior. We remain optimistic for 2011 but we clearly need to see some new technologies coming to the market to fill some revenue voids that are emerging. The slides used in the recent Bayer Veterinary Care Usage Study report can now be viewed on our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

Have a great weekend!!

*Ron Brakke*

\*\*\*\*\*

Trouble viewing this newsletter? You can view it online at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

*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