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**Brakke Consulting's  
Animal Health News & Notes for January 29, 2010**  
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**REGISTER NOW FOR  
BRAKKE CONSULTING'S 2010 INDUSTRY OVERVIEW  
AT WVC**

Brakke Consulting will be presenting its annual US Animal Health Industry Overview at the North American Veterinary Conference and the Western Veterinary Conference in 2010. This years Overview will contain attitudes of AH executives regarding the state and future of the industry from our fall survey, a special section on the companion animal category of supplements and BCI's thoughts on 2010 and beyond for the industry.

**WVC Overview**

Date: **Tuesday, February 16, 2010**

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.

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**COMPANY EARNINGS RELEASES**

> Lilly reported results for the full year 2009. Sales for **Elanco Animal Health** increased 10% to \$1.2 billion. The increase was primarily attributable to Elanco's acquisition of Posilac in October 2008. *(company press release)*

> **Novartis** reported results for the full year 2009. Sales for the animal health group were \$1.1 billion, an increase of 4% in local currencies. *(company communication)*

> **Virbac SA** reported financial results for 2009. Sales were EUR 467 million (\$669 million), an increase of 5% compared to the prior year. All regions have contributed to this performance. *(company website)*

> **Vétoquinol** reported results for the full year 2009. Revenues totaled EUR 252 million (\$361 million), an increase of 8% over the previous year. With exchange rates held constant, revenues increased by 10%. The strength in sales is primarily due to acquisitions in Italy and India and by the resumption of organic growth, which held firm in the second half of 2009. *(company website)*

> **IDEXX** announced that revenues for the year ended December 31, 2009 increased 1% to \$1.032 billion. Net income for the year increased 5% to \$122 million. Companion Animal Group revenues for the year increased 1% to \$843 million. *(company website)*

> **Abaxis, Inc.** reported financial results for the third fiscal quarter ended December 31, 2009. Veterinary Market sales were \$23.9 million, an increase of 33% compared to the comparable period in the prior year. *(company press release)*

> Colgate-Palmolive Company reported results for the full year 2009. **Hill's Pet Nutrition** recorded net sales of \$2.13 billion, a decline of 1% compared to the prior year. *(company press release)*

> **PetMed Express, Inc.** announced its financial results for the third fiscal quarter ended December 31, 2009. Net sales for the quarter were \$48.4 million, an increase of 11% compared to the quarter ended December 31, 2008. Net income was \$5.6 million, a 14% increase compared to the comparable period in the prior year. *(company website)*

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## COMPANY NEWS RELEASES

> **Intervet/Schering-Plough** announced the introduction of Resflor Gold, the only medication on the US market that combines the antibiotic florfenicol and the NSAID flunixin meglumine into a single dose for treatment of bovine respiratory disease. *(company press release)*

> The current ownership group of **Newsham Choice Genetics** - which includes the Mitchell family, certain Newsham management and Bucolica, the Dutch group that includes Grimaud - announced an agreement in which its European joint venture partner, **Groupe Grimaud**, will acquire 100% ownership of the company. Financial terms were not disclosed. *(Feedstuffs)*

> **Petland** announced that the United States District Court has dismissed 29 of 31 of the claims that had been made against Petland regarding illnesses in puppies the claimants purchased from Petland. In connection with the case the Humane Society of the United States (HSUS) had widely reported that they had received "hundreds" of complaints from Petland customers. The Court also rejected plaintiffs' broad claims relating to the sale of pets from substandard breeders, referred to by HSUS as "puppy mills." *(Business Wire)*

> EU **Intervet/Schering-Plough** Animal Health announced that it has received marketing authorization from the European Commission for a single-shot vaccination schedule of its Porcilis PCV vaccine against porcine circovirus type 2 (PCV2) infections. (*company press release*)

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## **ANIMAL HEALTH NEWS**

> PARAGUAY - FMD Paraguay reported that it has started a foot and mouth disease (FMD) vaccination campaign, and expects to immunize about 12 million cattle by March this year. The initiative is expected to reach 100% of the cattle population in the country. (*Animal Pharm*)

> US - HOG PRODUCTION The hog markets rose across the Corn Belt to \$67.45-70.10/cwt., lean carcass basis, and were equivalent to a \$51-53 live cash hog market, meaning that hog prices were at breakeven levels, ending losses that stretch back into the fourth quarter of 2007. Prices were 20.3% higher than year ago. Analysts attributed the rally to cold, snowy weather earlier this month that made difficult going for producers trying to move hogs and decreased marketings and weights, with pork production down 12.2% this year. Analysts also cited continued export strength, suddenly resurgent demand for pork in the US and decreased imports of Canadian hogs and pork. (*Feedstuffs*)

> IRELAND - HORSE GENES Scientists at University College Dublin have matched the genetic code of 179 race winners with performance on the track to identify variants of the muscle mass-regulating myostatin gene that predict a horse's optimum racing distance. The researchers found that horses with the myostatin gene combination designated as C/C are better suited to fast, short races; those with the C/T variation tend to compete better over middle distances; and T/T animals have more stamina. The research was published in the Public Library of Science Journal *PLoS ONE*. (*Bloomberg*)

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**NIAA Annual Meeting**  
**ONE HEALTH: Implications for Animal Agriculture**  
**March 15-17, 2010**  
**Kansas City, Missouri**  
**The Westin Crown Center**

The One Health concept is a worldwide strategy for expanding interdisciplinary collaborations and communications in all aspects of health care for humans and animals: but what will it mean for animal agriculture?

The 2010 NIAA Annual Meeting will focus on the One Health Initiative and, through its general session and committee meetings, will explore how the initiative may impact the various species and segments within production animal agriculture and animal health management.

To register for the meeting, go to <http://www.animalagriculture.org/> and click on the **2010 NIAA Annual Meeting** link.

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## **BRASSE CONSULTING VIEWPOINT**

The first of the major companies began reporting their sales results for the 4th quarter and full year of 2009. There have been no surprises in those reporting this week. It appears that Brasse estimates for the various companies for the full year are basically on target.

We are encouraged by the enthusiasm that we're picking up in the marketplace as it relates to 2010 expectations. It appears that there will be some limited growth in the companion animal portion of the business and food animal will probably hold its own with 2009. The monitoring index we maintain on open positions in the animal health industry continues to strengthen. We have a record number of jobs posted on [www.AnimalHealthJobs.com](http://www.AnimalHealthJobs.com) at the present time.

Like many of you we're trying to clear off our desk from the NAVC and preparing for the WVC, which starts on February 15th in Las Vegas. We hope to see many of you there. There are still a few open seats at the Brakke Overview on February 16, but make your reservations soon, as this presentation usually sells out.

Have a great weekend!!

*Ron Brakke*

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