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**Brakke Consulting's  
Animal Health News & Notes for October 23, 2009**  
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**BRAKKE CONSULTING, INC.  
DUE DILIGENCE SEMINAR  
OCTOBER 27 - 28, 2009  
KANSAS CITY**

**There's still time to register!**

Brakke Consulting announces a two day seminar covering the details of due diligence, a key element in the successful acquisition of companies, assets and intellectual property.

The seminar is designed to increase a company's probability of success in a purchase or sale by providing the details to ensure that all the important phases of the due diligence process are included. Speakers at the Brakke seminar will include Ron Brakke, John Mannhaupt and Joel Adamson, Brakke personnel who are well experienced in due diligence, as well as outside speakers from the finance industry and the legal profession.

For more information on the seminar or to register, visit our website at

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

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**COMPANY EARNINGS RELEASES**

> Schering-Plough reported results for the third quarter of 2009. **Intervet/Schering-Plough** sales totaled \$669 million in the 2009 third quarter, a 12% decrease compared the third quarter of 2008 (5% operational decrease and 7% unfavorable foreign exchange impact). *(Reuters)*

> **Pfizer** Inc. reported financial results for third-quarter 2009. Animal Health revenues for the quarter were \$678 million, a decline of 4% compared with the year-ago quarter. Operational growth of 2%, primarily driven by the solid performance in emerging markets and for certain new products worldwide, was more than offset by the unfavorable impact of foreign exchange. *(Reuters)*

> Eli Lilly and Company announced financial results for the third quarter of 2009. Worldwide sales of animal health unit **Elanco** were \$315 million, an increase of 14% compared with the third quarter of 2008. US sales grew 38% primarily due to the inclusion of sales from the Posilac acquisition completed in October 2008. Sales outside the US decreased 8%. *(company press release)*

> **IDEXX Laboratories**, Inc. reported that revenues for the third quarter of 2009 were \$259 million, a 3% increase compared to the third quarter of 2008. Organic revenue growth was 5%. Companion Animal Group (CAG) revenues for the third quarter of 2009 were \$215 million, a 5% increase compared to the third quarter of 2008. *(company website)*

> **Nestle SA** reported results for the third quarter of 2009. PetCare sales were CHF 9.6 billion (\$9.3 billion), representing 9% organic growth and 3% real internal growth. *(company press release)*

> **VCA Antech**, Inc. reported financial results for the third quarter ended September 30, 2009 as follows: revenue increased 2% to a third quarter record of \$339 million; net income increased 1.6% to \$36.4 million. *(company press release)*

> **Pilgrim's Pride** reported a net profit of \$56.7 million in its fiscal fourth quarter ended Sept. 26 on gross revenues of \$1.63 billion, according to a filing with a Texas bankruptcy court. *(Meeting Place)*

> **PetMed Express**, Inc. announced its financial results for the quarter ended September 30, 2009. Net sales for the quarter were \$62.4 million, an increase of 5% compared to the quarter ended September 30, 2008. Net income was \$6.3 million for the quarter, an 8% increase compared to net income for the prior-year quarter. *(company website)*

> **OurPet's Company** reported financial results for the 2009 third quarter ended September 30, 2009. Net revenues for the quarter increased 6% to a record \$3.5 million. Net Income for the 2009 third quarter was \$183,087 compared to a net loss of (\$617,589) for the same period in 2008. *(Business Wire)*

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## COMPANY NEWS RELEASES

> **Merck & Co.**, Inc. and **Schering-Plough Corporation** announced that they have received clearance from the European Commission (EC) under the EC Merger Regulation for their proposed merger. Merck and Schering-Plough continue to expect the transaction to close in the fourth quarter of 2009. *(company website)*

> **Hill's Pet Nutrition** announced that Suzan Harrison has been named President of Hill's Pet Nutrition North America. She succeeds Neil Thompson, who was promoted to President and CEO of Hill's Pet Nutrition, Inc. in April. Harrison joins Hill's from Colgate-Palmolive Company, parent of Hill's, where she led Marketing for its business in the US. (*company press release*)

> **Alltech** announced the opening of a new facility in Clovis, New Mexico. The 240-acre site includes a sales office, warehouse, laboratory and production facility, which will produce the company's live yeast culture feed additive Yea-Sacc and its Sel-Plex organic selenium. (*Animal Pharm*)

> **PETCO** announced a partnership with **Trupanion** to promote Trupanion's pet insurance in PETCO stores. (*PR.com*)

> **KeySource Medical, Inc. (KMI)** announced the launch of a veterinary-focused Controlled Substance Ordering System (CSOS). KMI intends to partner with veterinary distribution companies and veterinarians to offer this DEA approved, state-of-the-art solution for ordering Schedule 2 controlled substances. (*company press release*)

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### **ANIMAL HEALTH NEWS**

> **US - H1N1 FLU** USDA confirmed that the H1N1 flu virus was confirmed in a hog exhibited at the 2009 Minnesota State Fair between Aug. 26 and Sept. 1. It is the first such case in swine in the US. The discovery does not suggest infection of commercial herds, grown for slaughter, because show pigs and commercial herds are separate components of the swine industry and usually are not commingled. (*Reuters*)

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### **ANIMALHEALTHJOBS.COM NEW JOBS POSTED**

AnimalHealthJobs.com is pleased to announce an influx of new positions posted. There are 33 sales representative positions in 47 cities; many other positions are available as well.

AnimalHealthJobs.com now receives over 11,000 visits a month by jobseekers. The website's resume database boasts over 7,000 industry-qualified resumes; over 4,000 of those are experienced sales reps.

Whether you're a jobseeker or an employer looking for top-quality candidates for your open positions, come check out the premier job board focused on the animal health industry.

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

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### **BRAKKE CONSULTING VIEWPOINT**

The first financial reports for some of the leading firms for the third quarter show a mix of results. In general, most companies expressed concern with the continued reduction of inventories at clinic, dealer and distributor level. This is likely to continue into 2010 since credit will be tight for most retailers and service businesses.

Over the next few weeks we will begin to see the impact of the integration and spin-out of various products from the Ft. Dodge line following the purchase by Pfizer. First reports indicate that there will be minor changes in the shorter term.

The weather through out the US has been cool and wet, causing some concerns related to the harvest of record corn and soybean crops. If the difficult weather conditions continue, there could be an impact on the price of feed grain.

Pheasant hunting has been cold and damp just like the weather. Currently, the pheasants are winning the battle here on our farm.

Have a good weekend!

*Ron Brakke*

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