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**Brakke Consulting's  
Animal Health News & Notes for November 9, 2012**  
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*Editor: Lynn Fondon DVM MBA*

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IN THE NEWS:

Brakke news  
[2012 Flea & Heartworm report](#)

earnings news  
[Bioniche](#)  
[Henry Schein](#)  
[ImmuCell](#)  
[MWI](#)  
[PetMed Express](#)  
[Ridley](#)

other news  
[Agroveneto](#)  
[Avivagen](#)  
[Boehringer Ingelheim](#)  
[C&M Vetlink](#)  
[Datamars](#)  
[Henry Schein](#)  
[JBS](#)  
[Maple Leaf Foods](#)  
[Puratone](#)  
[Vedco \(Acarexx\)](#)  
[Vedco \(Microfindr Slim\)](#)

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**BRAKKE CONSULTING, INC.  
COMING IN DECEMBER:  
US FLEA CONTROL & HEARTWORM MARKETS  
2012 UPDATE  
**ORDER NOW FOR EARLY-BIRD DISCOUNT****

Brakke Consulting will soon be publishing our 2012 report on the US Flea Control and Heartworm Markets. The report includes valuable information on the US market for small animal parasiticides including:

- discussion of the impact of generic fipronil products
- an overview of the veterinary and OTC flea control markets
- Product descriptions, prices, and sales for the leading veterinary flea and heartworm products
- 2012 survey of over 200 veterinarians
- 2012 survey of 500 pet owners

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of \$6,995 if ordered by TUESDAY, NOVEMBER 20, and \$7,500 after that date.

Please contact Dr. Lynn Fondon at (972) 243-4033 or [lfondon@brakkeconsulting.com](mailto:lfondon@brakkeconsulting.com) to pre-order the report, or for more information visit our website at

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

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## COMPANY EARNINGS RELEASES

> **Bioniche Life Sciences** Inc. announced financial results for the first quarter of its 2013 fiscal year ended September 30, 2012. Revenues from the sale of Animal Health products increased 8% in the quarter to C\$6.6 million (US\$6.6 million). (*Heraldonline*)

> **ImmuCell Corporation** announced the results of its operations for the three-months ended September 30, 2012. Product sales for the quarter were \$1.1 million, and increase of 7% in comparison to the same period in 2011. The net loss was (\$64,000) during the quarter, in comparison to a net loss of (\$128,000), during the same period in 2011. (*company press release*)

> **Ridley** Inc. reported financial results for the first quarter of fiscal 2013 ended September 30, 2012. Net profit after income taxes (NPAT) was \$5.3 million compared to \$0.7 million last year. Sales revenues of \$174 million were 11% higher than last year but the major part of this increase was the effect of higher raw material costs on selling prices. (*company website*)

> **Henry Schein**, Inc. reported financial results for the third quarter of 2012. Global Animal Health sales of \$598 million increased 19%, including 24% growth in local currencies and a 5% decline related to foreign currency exchange. (*company website*)

> **MWI Veterinary Supply**, Inc. announced financial results for its fiscal year ended September 30, 2012. Total revenues were \$2.08 billion for the fiscal year, 33% higher than revenues for the same period in the prior fiscal year. Net income increased 26% to \$53.5 million for the fiscal year. Excluding the impact of the acquisition of the assets of Micro Beef, revenue growth in the US was 17% for the fiscal year; revenue growth in the United Kingdom was 15% for the fiscal year. (*company website*)

> **PetMed Express**, Inc. announced its financial results for the second fiscal quarter ended September 30, 2012. Net income was \$4.0 million for the quarter compared to net income of \$3.9 million for the quarter ended September 30, 2011. Net sales for the quarter were \$58.1 million, compared to \$58.2 million for the comparable quarter in the prior year. (*company website*)

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## COMPANY NEWS RELEASES

> **Vedco Animal Health** announced that it has entered into a long-term logistics agreement with **Boehringer Ingelheim** to distribute Acarexx, an ivermectin-based ear miticide for use in cats. (*company press release*)

> **Henry Schein**, Inc. announced the signing of a definitive agreement to acquire **C&M Vetlink**, a leading distributor of animal health products in Ireland. C&M Vetlink distributes a wide variety of veterinary and companion animal health products to veterinarians across Ireland and had sales of approximately EUR 42 million (\$54.7 million) for the 12 months ended July 30, 2012. Approximately 70% of sales are for large animals. Financial terms were not disclosed. (*PRNewswire*)

> **Vedco Animal Health** announced the introduction of Microfindr Slim microchip. The Microfindr Slim is a collaboration between Vedco and **Datamars**. Microfindr Slim is a considerably smaller-sized chip than what is commonly used by veterinary hospitals today, and is implanted using a

device that has a much smaller gauge needle than the standard microchip implanter. (*company press release*)

> **Avivagen** announced it has secured funding of \$355,000 from a private placement of shares. The funding round includes the firm's first institutional investor, which was not named in the statement. Avivagen is developing Oximunol Chewables, which contain OxC-beta formulated for use in dogs to optimize immune function with benefits to gastrointestinal health, coat quality and activity. (*Animal Pharm*)

> **Maple Leaf Foods** announced that it has entered into a definitive agreement to acquire the **Puratone Corporation**, a leading Manitoba hog production company, for approximately \$42 million including livestock, facilities and interests in some joint ventures. (*Vet Advantage*)

> BRAZIL **JBS S.A.** announced it has signed an agreement in which the company plans to acquire **Agroveneto S.A.**, a chicken processor in southern Brazil for 10 million reals (\$4.9 million) in JBS stock and the assumption of approximately 128 million reals (\$62.9 million) of Agroveneto debt. Agroveneto processes 140,000 chickens per day and sells a line of more than 30 products both in Brazil and in export markets in Europe, Asia and the Middle East. (*Feedstuffs*)

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## ANIMAL HEALTH NEWS

> ROMANIA - NEWCASTLE DISEASE Romanian authorities have detected Newcastle disease on a backyard poultry farm in the central Brasov region. It is the country's first case of the virus for more than three years and was reported to the World Organization for Animal Health. (*Animal Pharm*)

> US - SALMONELLA TESTING The Cornell College of Veterinary Medicine announced the availability of the only test in the US for *Salmonella Dublin* in cattle. *S. Dublin* is particularly hard to diagnose as its bacteria often hide dormant in carrier animals. Cornell's Animal Health Diagnostic Center (AHDC) will offer the test, which detects antibodies rather than bacteria. (*Animal Pharm*)

> US - VETERINARY SCHOOLS Arizona's state Board for Private Postsecondary Education has authorized Midwestern University's plans to offer a doctor of veterinary medicine program. The school has allotted more than \$100 million for the grounds, which will be built starting next year. Midwestern intends to matriculate its first class of 100 veterinary students in the fall of 2014. The university is applying for program accreditation through the American Veterinary Medical Association. (*AVMA Smartbrief - American City Business Journals*)

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## BRAKKE CONSULTING VIEWPOINT

The companies reporting financial results this week continued the trend of nice growth in revenue and profits. Congratulations to Jim Cleary and the MWI team to be the first distributor to reach \$2 billion in annual sales. What an outstanding achievement!! How many of you thought 10 years ago that we'd have several animal health distributors with revenues in the billions in 2012?

The balance of the news this week focuses on various acquisitions and licensing agreements between various firms in the US and international companies. Animal health is clearly a growing global industry with many companies no longer focusing primarily on the US.

Really!! Another state authorizes the building of a new veterinary school. Is anyone thinking through where veterinary students graduating in 2020 will find work?

Have a good weekend!!

*Ron Brakke*

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