
**Brakke Consulting's
Animal Health News & Notes for December 12, 2014**
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IN THE NEWS:

[Brakke Consulting news](#)
[Animal Health Industry Overview](#)
[Transaction assistance](#)

[earnings news](#)
[Big Heart Pet Brands](#)
[Central Garden & Pet](#)
[DS Pharma Animal Health](#)

[other news](#)
[Advanced Animal Diagnostics](#)
[Anapure](#)
[Animal Supply Company](#)
[Kane Biotech](#)
[Mars](#)
[Merck](#)
[Merial](#)
[Neogen](#)
[Patterson](#)
[PETNET](#)
[Procter & Gamble](#)
[SmartVet](#)

**BRAKKE CONSULTING, INC.
2014 INDUSTRY OVERVIEW
ONLINE REGISTRATION NOW OPEN**

Brakke Consulting will present the 2014 US Animal Health Industry Overview twice this winter - once at the North American Veterinary Conference in Orlando, Florida and once at the Western Veterinary Conference in Las Vegas, Nevada. These dates are:

- NAVC: Monday, January 19, 2:00 – 4:00 pm, Gaylord Palms.
- WVC: Tuesday, February 17, 2:00 – 4:00 pm, Four Seasons.

Registration for the Industry Overview at the NAVC and WVC is now open. Seating is very limited this year, so register early!

To register, go to www.brakkeconsulting.com and scroll down to the "What's New" box. The price is \$385 per person for online registration; late registration is \$425.

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COMPANY EARNINGS RELEASES

> **DS Pharma Animal Health** reported that its net sales for the first half of fiscal 2014 ended September 30, 2014 decreased 4% to JPY 5.1 billion (\$43 million) compared to the same period of fiscal 2013. The company stated that the main reason of the decline was an increase in a consumption tax on April 1, 2014. (*company communication*)

> **Central Garden & Pet** Company reported financial results for the fiscal fourth quarter ended September 27, 2014. Fourth quarter net sales for the Pet segment were \$217 million, a decrease of 2% from the comparable prior year quarter. The decline was in large part due to lower sales in the Company's flea & tick and small animal businesses. (*company website*)

> **Big Heart Pet Brands** (formerly known as Del Monte Corporation) reported financial results for its fiscal 2015 second quarter ended October 26, 2014. Net sales increased 2% to \$566 million; adjusted EBITDA decreased 4% to \$101.8 million. (*Businesswire*)

COMPANY NEWS RELEASES

> **Neogen** Corporation announced that it has acquired the food safety and veterinary genomic assets of its Chinese distributor, **Beijing Anapure BioScientific Co., Ltd.** (Anapure). Anapure was founded in 1998, and has focused on food and environment safety testing, blood typing, and small animal disease diagnosis throughout China. Financial terms were not disclosed. (*company press release*)

> **SmartVet** announced the recent successful closure of a \$5 million private placement investment round. The funds will be used for ongoing research and development in order to commercialize and bring to market additional products in the SmartVet product pipeline. (*company press release*)

> **Advanced Animal Diagnostics** announced the close of a \$15 million Series C round of equity financing. The financing was co-led by Cultivian Sandbox and Kansas Bioscience Authority. The investment will allow AAD to accelerate the commercialization of its current product offering, QScout MLD (milk leukocyte differential) test, while also expanding the company's product line. (*company press release*)

> **Patterson Veterinary** announced its partnership with ACEM S.p.A., a leader in LED surgical and exam lights for veterinary practices. Through this agreement, Patterson Veterinary has added six LED models to its equipment portfolio. (*company press release*)

> **Animal Supply Company** announced it has acquired **PETNET** distribution. PETNET will operate under the Animal Supply brand and will be a part of the newly formed northeast region. Financial terms were not disclosed. (*Pet Age*)

> PUERTO RICO **Merial** announced it will acquire a formulation and packaging facility in Puerto Rico belonging to **Merck**. The acquisition will allow Merial to make use of the site's chewables manufacturing technology. Financial terms were not disclosed. (*Animal Pharm*)

> AUSTRALIA **Mars Incorporated** announced it has completed its acquisition of the Iams and Eukanuba pet brands from The **Procter & Gamble** Company in Australia and New Zealand. Mars has already acquired Procter & Gamble's petfood business in North America, Latin America and other select countries. (*Petfoodindustry.com*)

> CANADA **Kane Biotech** Inc. announced it has closed its previously announced private placement offering with aggregate gross proceeds to the Company of \$1.175 million from the sale

of 23.5 million units at a price of \$0.05 per Unit. The net proceeds of the Offering shall be used for research and development and working capital purposes. *(company press release)*

ANIMAL HEALTH NEWS

> US - PIGLET ANALGESIA RESEARCH Veterinary researchers at Iowa State University have devised a novel means of delivering pain medication to piglets through the milk of the mother sow as the piglets nurse. It's a proof-of-concept study that could help pork producers reduce the stress and pain experienced by piglets that are castrated or have their tails removed without the need to inject each piglet with medicine. The results of the year-long study were published recently in the academic journal *PLOS ONE*. *(Feedstuffs)*

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Brakke Consulting has the experience, insight, ability and contacts to provide clients with the highest quality services in the animal health, pet, veterinary and specialty chemicals markets. Please contact any of our offices for a confidential consultation.

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BRAKKE CONSULTING VIEWPOINT

The news this week covers new financing, acquisitions and marketing partnerships. We continue to wait patiently for new product introductions that could each generate in excess of \$100 million in new revenue for the industry. As most industry participants know, new products of this size are rare and difficult to find. Without new technologies and products entering the market the industry will continue to slide towards being dominated by generic products and brands.

We're currently in the middle of producing the 2015 Animal Health Industry Overview. Through a number of different surveys and interviews that we've conducted in the past few weeks of pet owners, producers, veterinarians and industry managers, we're seeing some very interesting trends. We will have a number of these trends summarized with some analysis regarding the future impact in the 2015 Overview.

Have a great weekend!!

Ron Brakke

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