
**Brakke Consulting's
Animal Health News & Notes for February 6, 2009**
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**US ANIMAL HEALTH INDUSTRY OVERVIEW
LAST WEEK TO REGISTER!**

Brakke Consulting will be presenting its annual US Animal Health Industry Overview at the **Western Veterinary Conference** in 2009.

WVC Overview

Monday, February 16th
2:00 – 4:00 pm
Four Seasons, Las Vegas

To register, go to www.brakkeconsulting.com and look for the Overview box on the home page. Payment by major credit card is required at time of registration.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> Schering-Plough Corporation reported financial results for the 2008 full year. Revenues for **Intervet/Schering-Plough Animal Health** were \$2.97 billion, compared to \$1.25 billion in 2007. Results included sales related to products from the Intervet business acquired in the fourth quarter of 2008. *(PR Newswire)*

> Merck & Co., Inc. announced financial results for the full-year 2008. Sales for animal health division **Merial** were \$2.64 billion, an increase of 8% compared to 2007. *(company website)*

> **Digital Angel** Corporation announced expected revenue for 2008. Total revenues for 2008 were approximately \$78 million, with about \$39 million from Animal ID. This compares to 2007 total revenues of \$78 million, with approximately \$44 million attributable to Animal ID. The 2007 revenue figures do not include various discontinued businesses that were divested in 2008. *(Business Wire)*

> **MWI Veterinary Supply**, Inc. announced financial results for its first quarter ended December 31, 2008. Revenues were \$232 million for the quarter, 14% higher than revenues for the same period in the prior fiscal year. Net income was \$5.9 million for the quarter, 27% higher than net income for the same period in the prior fiscal year. *(company website)*

> **Animal Health International**, Inc. reported results for its second fiscal quarter ended December 31, 2008. Net income for the quarter was \$2.3 million compared to \$5.5 million in the prior year period. Net sales declined 9% to \$185 million from \$203 million in the prior year period. *(RTT News)*

> **Central Garden & Pet** Company announced results for its first quarter ended December 27, 2008. Net sales for the Pet Products segment were \$186 million, a decrease of 8% versus the comparable fiscal 2008 period. *(company website)*

> **Accura Animal Health** plc reported the interim results for the six months ended October 31, 2008. The Group generated revenues of GBP 224,606 (\$369,975) and incurred losses of GBP 485,845 (\$800,294). This compares to revenues of GBP 108,022 and losses of GBP 579,494 for the comparable six month period in the prior year. *(MarketWire)*

> **Pilgrim's Pride** Corp. reported a loss of \$229 million for its fiscal 2009 first quarter ended December 27, 2008, compared to the prior-year loss of \$32.3 million. Sales were \$1.88 billion, compared with \$2.05 billion the prior year. *(Feedstuffs)*

COMPANY NEWS RELEASES

> **Intervet/Schering-Plough** Animal Health has segmented its poultry-product line into four areas — food safety, immune-system defense, intestinal health and respiratory protection — to help focus its resources on developing innovative, integrated solutions for managing poultry diseases. *(company press release)*

> **Bayer Animal Health** announced the launch of Catosal Sterile Solution, a treatment for metabolic disorders of livestock. It is an injectable solution of vitamin B12 and phosphorus aimed at treating deficiencies of these nutrients a variety of species. *(Animal Pharm)*

> **Boehringer Ingelheim Vetmedica** announced that it will expand its St. Joseph, MO operations with a \$150 million project that will create 124 jobs. *(Kansas City Star)*

> **AgriLabs** announced it has been named the exclusive marketer of EstroPLAN (cloprostenol sodium) by manufacturer **Parnell Laboratories** of Sydney, Australia. EstroPLAN is a synthetic prostaglandin for cattle that has been on the market more than 25 years. (*company press release*)

> **SkyLynx Communications**, Inc. announced it has changed its name to **PawsPlus**, Inc. effective January 29, 2009. The name change is being made to better reflect the Company's current business: the sale of affordable pet health products and services. VETCO Hospitals is a subsidiary of PawsPlus. The Company also completed its 1:15 reverse stock split which repositions the Company's capital structure to make potential acquisitions in the future relating to its core business model. (*MarketWire*)

> **DermaPet** announced the launch of MalAcetic ULTRA for managing conditions responsive to acetic and boric acids, ketoconazole and hydrocortisone. MalAcetic ULTRA is now available as an Ear Cleanser, Shampoo and Leave-in Spray-on Conditioner in a pleasant melon fragrance. (*company press release*)

> **Land O'Lakes Purina Feed** announced the introduction of Propel Energy Nugget, a highly palatable, high density source of energy, specifically formulated for dairy cows as they transition to high production post-calving. (*company press release*)

> **Accelerated Genetics** announced the launch of a direct-fed microbial (DFM) for organically reared cattle. The product is the first in a new line of organic feed supplements called Essential Solutions, containing ruminant-specific microorganisms that improve the microflora of the rumen. (*Animal Pharm*)

> **Aribex**, Inc., announced that it has been allowed a second US patent for its NOMAD Handheld X-ray System. The latest patent protects the central concept of having all components of the x-ray system in the same enclosure, which led to the development of the world's first handheld x-ray system. (*company press release*)

> **SOMARK Innovations** Inc., a developer of chipless RFID tattoos for animal identification, has raised an undisclosed amount of new VC funding. Finistere Ventures and T2 Venture Capital co-led the round, and were joined by Med-Pharmex Animal Health and the St. Louis Arch Angels. (*PEhub.com*)

> UK **CEVA Animal Health** announced the launch of Diarsanyl Plus, a new intestinal support paste for dogs, cats and small animals containing prebiotics, in the UK. (*Vetsurgeon.org*)

ANIMAL HEALTH NEWS

> UK - MILK PRODUCTION Researchers from Newcastle University found that cows that are given names and are treated in a personal way produce an average of 258 liters of milk a year more than their counterparts that are not treated as individuals. The research, published online in the academic journal *Anthrozoos*, questioned 516 UK dairy farmers about how they believed humans could affect the productivity, behavior and welfare of dairy cattle. Almost half of the sample (46%) said the cows on their farm were called by name. Those who called their cows by name had a 258 liter higher milk yield than those who did not. (*Animal Pharm*)

> CANADA - BSE TEST Canadian researchers and collaborators in Germany have developed a blood test done on live animals that should be able to detect the presence of BSE infection in cattle and chronic wasting disease (CWD) in elk months before clinical signs of the disease become evident. Researchers studied 19 CWD-infected and non-infected elk and 16 BSE-

infected and non-infected cattle and were able to identify specific DNA sequences in blood samples of live animals infected with CWD or BSE. The research findings are published in the January edition of the *Oxford Journal Nucleic Acids Research*. (*Feedstuffs*)

**BRAKKE CONSULTANT HONORED AT NAVC
AS PRACTICE MANAGEMENT SPEAKER OF THE YEAR**

Brakke Consulting is proud to announce that consultant Dr. Christine Merle was honored at the recent North American Veterinary Conference as the 2008 Practice Management Speaker of the Year. Recipients were nominated by NAVC attendees. Congratulations Christine!

For more information about Brakke Consulting's Veterinary Practice Management services, please go to our website at www.brakkevpmg.com

BRAKKE CONSULTING VIEWPOINT

Some of the companies' revenue and profit reports for the final quarter of 2008 reflected the downturn in sales that we had been hearing about for some time. Several companies have indicated that this softness in sales has continued into January and February of 2009. Based on the general state of the overall economy we would expect a soft first quarter. It's not obvious that any of the stimulus or bail packages being debated in Washington will have a positive impact on animal health. We continue to listen for positive noises from the industry, but I must say it is quiet. Where are all the new products and programs?

I asked our two Senators from Texas to include in the Senate version of the stimulus package \$500 coupons for each pet owner to use either on veterinary services or products for their pets. There has been NO response to date, which is somewhat of a surprise!! I thought that at least one staff member with pets would think it's a good idea. So much for trying to become involved in politics!!

Have a great weekend and start saving your money for Las Vegas!!

Ron Brakke

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