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Brakke Consulting's
Animal Health News & Notes for February 13, 2009
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IN THE NEWS:

earnings news
Evialis
ImmuCell
Nutreco
Phibro
Provimi
Ridley
Spectrum Brands

other news
AcuShot
Adisseo
Biogal
Grupo Dibaq
Med-Pharmex (Medincell)
Med-Pharmex (AcuShot)
Medincell S.A.
PetNovations
Rodi Pet Food Group

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US ANIMAL HEALTH INDUSTRY OVERVIEW

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 today, 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

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COMPANY EARNINGS RELEASES

> Phibro Animal Health Corp. reported net sales for the company's second fiscal quarter of $129 million, a 5% increase from $123 million in the same quarter last year. The company reported a second-quarter net loss of $(8.9 million) compared to net income of $5.6 million or in the previous year. *(RTT News)*

> ImmuCell reported results for the year ended December 31, 2008. Product sales decreased by 3% to $4.6 million in comparison to the same period in 2007. Technology licensing revenue decreased by $1.2 million as a result of a product development and marketing agreement that was terminated in the third quarter of 2007. The net loss for the year was $(469,000) compared to net income of $662,000 during 2007. *(company press release)*

> Provimi reported its turnover for the full year 2008. Sales increased 14% to EUR 2.15 billion ($3.03 billion). *(company press release)*

> Evialis reported results for the first half-year 2008/2009. Revenue amounted to EUR 584 million ($823 million), an increase of 43% compared with the second half-year 2007. The increase was attributable to the transfer of raw material price rises into sales prices, but also the contribution from external acquisitions which took place over the second quarter 2008 in the Nutrition International division. On a like-for-like basis, revenue increased 12%. *(company website)*

> Ridley Inc. reported results for its fiscal 2009 second quarter ended December 31, 2008. Revenue was $164 million, unchanged from the revenue for the comparable period in the prior year. Net income was $0.7 million, compared to a loss of $(2.8 million) in the same period last year. *(company website)*

> Spectrum Brands announced results for the quarter ended December 28, 2008. The Global Pet Supplies Segment reported net sales of $132 million, down from $143 million in the same period of last fiscal year, including $1.6 million of negative foreign exchange impact this quarter. *(company website)*

> Nutreco reported an operating profit of EUR 172 million ($242 million) for the full year 2008, up from EUR 149 million in 2007. Revenues for the year rose by 23% to EUR 4.9 billion ($6.9 billion), driven by higher commodity prices and acquisitions. *(Animal Pharm)*

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COMPANY NEWS RELEASES

> Med-Pharmex Animal Health Inc. and **Medincell S.A.** announced a global collaborative agreement for various pharmaceutical applications in animal health. Med-Pharmex will be responsible for marketing the products in the USA, while Medincell S.A. will be responsible for designing the products and sell them mainly in Europe. Medincell is a private company located in France, focusing on new polymer-based technologies providing long acting formulations for animal and human health applications. *(company press release)*

> Med-Pharmex Animal Health and **AcuShot** Inc. announced an agreement whereby Med-Pharmex will distribute AcuShot's second-generation needle-free liquid injection technology in the US market. *(company press release)*

> Biogal introduced its new line of products; “Two and a half steps” PCR detection kits for birds, cats and dogs. The new ready-to-use kits are molecular diagnostic kits based on PCR (Polymerase Chain Reaction). *(company press release)*

> Adisseo announced the launch of Rovabio Max, a combination of 19 compatible and naturally occurring enzymes, produced by the non-GM organism *Penicillium funiculosum*, plus a 20th enzyme, a 6-phytase. The product, available in liquid and powder forms, is part of the Rovabio range and is suitable for all monogastric feeds. *(Animal Pharm)*

> **PetNovations** announced the introduction of the CatGenie 120, the latest model of the world's only self-flushing, self-washing cat box. The innovative CatGenie eliminates the need to ever touch cat litter again. It works like a cat box, cleans like a modern washing appliance, and flushes like a toilet. *(Business Wire)*

> EUROPE The Spanish **Grupo Dibaq**, a leading manufacturer of pet food and aquaculture feed in southern and eastern Europe, announced it has acquired 80% of **Rodi Pet Food Group**, a leading manufacturer of pet food, snacks and biscuits in central and northern Europe. Grupo Dibaq has revenues in excess of EUR 200 million; Rodi has revenues of EUR 80 million. Financial terms were not disclosed. *(Feedstuffs)*

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ANIMAL HEALTH NEWS

> US - GM-PRODUCED DRUG The FDA issued its first approval for a biological product produced by genetically engineered (GE) animals. The approval is for ATryn, an anticoagulant used for the prevention of blood clots in patients with a rare disease known as hereditary antithrombin (AT) deficiency. **GTC Biotherapeutics**, Inc., the manufacturer of ATryn, received approvals from two FDA centers: the Center for Biologics Evaluation and Research (CBER) approved the human biologic based on its safety and efficacy; and the Center for Veterinary Medicine (CVM) approved the rDNA construct in the goats that produce ATryn. *(FDA)*

> US - FDA DRAFT GUIDANCE The FDA published in the Federal Register the availability of a draft guidance document for industry entitled "Guidance for Industry #192: Anesthetics for Companion Animals". The comment period for the guidance closes on March 2, 2009. The purpose of the guidance document is to provide industry with FDA's recommendations for the development of new animal anesthetic drug products for companion animals (dogs, cats, and horses). The draft guidance can be read at http://www.fda.gov/cvm/Guidance/guide192.pdf. *(CVM)*

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BRAKKE CONSULTING VIEWPOINT

Activity for the week in animal health seems to be muted by the public discussions of the general economy and the stimulus package. The general economy has caused some companies to be cautious related to 2009. We're not sure that is the right approach! No matter the state of the economy, animal diseases and parasite conditions will continue to occur and you'll need your products in the right place to serve the needs of the producer or pet owner. If inventories continue to contract, as is being reported, there could be a number of opportunities in the second and third quarter to fill the void.

We remain impressed with the number of smaller new companies that are entering the marketplace with new technology and products. Hopefully, they will have the marketing strength to have their message stick with veterinarians and pet owners. Yes, it's an interesting time but it's not a time to be timid.

Have a great weekend, and we'll see many of you at the Western Veterinary Conference next week.

Ron Brakke

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