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**Brakke Consulting's  
Animal Health News & Notes for February 17, 2012**  
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IN THE NEWS:

[Brakke news](#)  
[2012 Overview](#)

[earnings news](#)  
[Butler Schein](#)  
[Nestle](#)  
[Ridley](#)  
[VCA Antech](#)

[other news](#)  
[Avivagen](#)  
[Bayer](#)  
[Catalent Pharma Solutions](#)  
[Dr. Mary Morris & Associates](#)  
[Elanco](#)  
[Heska](#)  
[KMG Chemicals](#)  
[NewMarket Pharmaceuticals](#)  
[Norbrook Labs](#)  
[North American Compendiums](#)  
[Teva \(new products\)](#)  
[Teva \(Avivagen\)](#)  
[Trupanion](#)

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**BRAKKE CONSULTING, INC.  
INDUSTRY OVERVIEW AT WVC**

Brakke Consulting will present the 2012 US Animal Health Industry Overview at the Western Veterinary Conference in Las Vegas, Nevada. The date is:

**Tuesday, February 21st from 2:00 – 4:00 pm at the Four Seasons.**

Online registration for the Industry Overview at the WVC closes today. To attend, please register on-site.

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

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**COMPANY EARNINGS RELEASES**

> **Nestle SA** reported financial results for the year 2011. PetCare sales were CHF 9,764 million (\$10,387 million), representing organic growth of 4%. (*company website*)

> Henry Schein, Inc. reported financial results for the fourth quarter ended December 31, 2011. North American animal health (**Butler Schein Animal Health**) sales of \$256 million increased 15%, including internal growth of 7% and growth of 8% due to an extra selling week in 2011 compared to 2010. (*company website*)

> **VCA Antech**, Inc. reported financial results for twelve months ended December 31, 2011. Revenue increased 7.5% to a twelve-month record of \$1.49 billion. Net income was \$100 million, a decline of 13%. Animal hospital revenue increased 9% to \$1.15 billion; laboratory revenue increased 2% to \$317 million. (*company press release*)

> **Ridley** Inc. reported its financial results for the second fiscal quarter ended December 31, 2011. Ridley's revenues grew by 11% to \$177 million in the second quarter this year, primarily a result of an elevated level of raw material prices relative to the same period last year and a continuing shift in product mix towards higher value added products. Net profit after income taxes was \$4.0 million compared to \$4.9 million last year. (*company website*)

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## COMPANY NEWS RELEASES

> **Bayer Animal Health** announced an agreement to acquire the Animal Health business of **KMG Chemicals**, Inc. This move will further diversify Bayer's existing insecticides portfolio in the US. KMG Animal Health revenues for the last four quarters ended October 31, 2011 were \$11.4 million. Financial terms of the transaction were not disclosed. (*PRNewswire*)

> **Elanco** announced that the FDA has approved the use of HeifermaX with Rumensin at an elevated dose of up to 40 g/ton (90% dry matter) in two- and three-way feeding combinations for feedlot heifers. The approved combinations include a two-way combination with HeifermaX and Rumensin and a three-way combination with HeifermaX, Rumensin and Tylan. (*company press release*)

> **Teva Animal Health** announced the reintroduction of Relief Shampoo, a shampoo designed specifically for patients who require temporary relief from itching and flaking associated with skin irritations. Teva also reintroduced Amprolium 9.6% Oral Solution, an oral aid in the treatment and prevention of coccidiosis caused by *Eimeria bovis* and *E. zurnii* in calves (*company press release*)

> **Teva Animal Health** and **Avivagen Animal Health** announced that they have entered into an exclusive US distribution agreement whereby Teva will become the exclusive US distributor for Oximunol chewable tablets. (*MarketWatch*)

> **Heska** announced that it will market a proprietary sublingual therapy for pets suffering with allergies. The therapy leverages intellectual property developed by **Dr. Mary Morris and Associates**, LLC. (*company press release*)

> **Trupanion** announced an expansion in coverage, now including acupuncture, physical therapy, hydrotherapy, and behavior modification in an optional benefits package, available to all current and new policyholders. (*PRWeb*) [top](#)

> **NewMarket Pharmaceuticals** LLC announced it has partnered with **Catalent Pharma Solutions** to develop and formulate a line of products for treating production and companion animals using Catalent's proprietary Zydis fast-dissolve technology and NewMarket's own DSI platform. NewMarket currently has five drugs in development that combine the Zydis and DSI technologies, initially including NSAIDs, beta agonists, proton pump inhibitors, and behavior modifiers across a variety of species. (*company press release*)

> CANADA **North American Compendiums**, in cooperation with Health Canada and the Canadian Animal Health Institute, has developed a notification program for low-risk veterinary health products (LRVHPs) used in cats, dogs, and horses that are not intended for food. The interim notification program applies to LRVHPs, such as homeopathic preparations, botanicals, vitamins and minerals. *(company press release)*

> UK **Norbrook Labs** announced the UK launch of Propentofylline tablets for dogs. Propentofylline is indicated for improving dullness, lethargy and general demeanor in dogs. *(Animal Pharm)*

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### ANIMAL HEALTH NEWS

> US - ANTHELMINTIC RESISTANCE The FDA announced a two day public meeting to discuss the current state of anthelmintic resistance in the US and worldwide. The meeting will be held on March 5 -6, 2012 in Rockville Maryland. The main purpose of the meeting is to explore and discuss ways in which antiparasitic drugs can be used, alone or in combination to maximize antiparasitic drug efficacy and minimize development of parasitic resistance in ruminant and equine species. The meeting is open to the public and interested persons may present data, information, or views, orally or in writing, on the topic of discussion. *(FDA)*

> US - VETERINARY EDUCATION Utah State University has completed application evaluations and interviews and chosen 20 in-state applicants and 10 out-of-state residents to make up the school's first veterinary class. The university is still hiring faculty and completing building renovations for the program but expects to be fully ready to welcome its first students come fall. *(AVMA Smartbrief - Utah Statesman)*

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### BRAKKE CONSULTING VIEWPOINT

This week's news includes a number of transactions that expand product lines and/or strengthen companies in certain market segments. While these are some interesting developments, we're still hoping to see larger opportunities appear in the marketplace to assist in driving new revenue. There currently appears to be somewhat of a shortage of new platform technologies that will drive new improved products for both companion and food animal segments.

One of the stories outside the animal health press this week that we believe impacts our industry is the escalating price of gasoline and food products.

Also, earlier today I listened on the radio to a most thoughtful roundtable discussion on the topic of internationally manufactured human drugs, both branded and generic. The discussion started with the shortage of a number of smaller important drugs in the human area. The second part of the discussion began to dig into the issues of foreign production of human drugs and compounds that in many cases are not receiving the scrutiny needed by the regulatory bodies in the US. It's very easy to make the leap from drugs for human health to animal health. It's not obvious to many how the regulatory agencies are going to resolve these problems without increased funding, which does not seem to be the current track that our legislators are on during this election year.

Hopefully many of you have been saving your cash so you can attend the Western Veterinary Conference. While there, you may use your spare time to transfer some of the cash from the casinos to your pockets. Good luck!! If the number of promotional mailing we've received is any indication, the WVC is going to be a great meeting!!

Have a great weekend and we'll see you in Las Vegas!!

Ron Brakke

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