
**Brakke Consulting's
Animal Health News & Notes for February 27, 2009**
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COMPANY EARNINGS RELEASES

> King Pharmaceuticals reported results for the full year 2008. Animal health division **Alpharma**, acquired at the end of December 2008, recorded full year revenues of \$360 million, a decrease of 2% compared to the prior year. (*company webcast*)

> **Dechra Pharmaceuticals** reported results for the half-year ended December 31, 2008. Pharmaceuticals revenue was GBP 41.5 million (\$60 million), an increase of 146% due primarily to the acquisition of VetXX, which contributed GBP 21 million to the year's results. (*company press release*)

> **Del Monte Foods** reported results for the third quarter fiscal 2009 ended January 25. For the third quarter, Pet Products net sales were \$433 million, an increase of 15% over sales in the prior year period. (*company website*)

> **Balchem** reported fourth-quarter 2008 earnings of \$4.9 million for its animal health and nutrition business, up 18% on the same period of 2007. Revenue for the quarter rose by 2% to \$37.2 million. Full-year revenues rose by 45% to \$161 million. (*Animal Pharm*)

> **Sanderson Farms** reported a net loss of \$(6.7 million) in the first quarter ended Jan. 31, compared with net income of \$6.2 million a year ago. Net sales for the quarter rose 7% to \$389 million from the year-ago period. (*Meating Place*)

COMPANY NEWS RELEASES

> **Webster Veterinary Supply** announced that it has donated a copy of the current DIA software program to all US veterinary schools for use in their teaching hospitals. DIA is a cutting edge client communication program with over 2,000 virtual anatomy illustrations, 3D animations, surgical animations and diagnostic images combined. (*company press release*)

> **Aribex**, Inc. announced the launch the NOMAD Pro Veterinary handheld x-ray system. The NOMAD Pro is optimized for veterinary dental use and weighs only 5.5 pounds. The device has also been found effective for small animal, limbs and extremities, exotics, and equine use. *(company press release)*

> **McAllister Software Systems**, Inc., creators of the AVImark veterinary management software, has created a new division called MSS IT Solutions to offer complete computer hardware sales and setup for veterinary clinics. Hardware arrives at the practice totally configured according to AVImark recommendations, ready for easy setup. *(company press release)*

> AUSTRALIA **Virbac Animal Health** announced the worldwide launch of Nitromec Injection, the first flukicide proven to provide three-stage liver fluke control without the use of triclabendazole. Nitromec Injection uses two fluke control actives, nitroxylnil plus clorsulon, to provide greater than 99% efficacy against flukes from as young as two weeks old; it also contains ivermectin for control of other internal and external parasites. Nitromec is currently available in Australia. *(Farmonline.com.au)*

> EU **Charles River** announced the expansion of its animal health facilities through the acquisition of a research station near Edinburgh and the completion of a new veterinary research building in Ireland. *(company press release)*

ANIMAL HEALTH NEWS

> NORWAY - BLUETONGUE Norway has reported its first cases of bluetongue. Routine surveillance uncovered the disease in two herds of cattle in the south of the country. The affected farms have been quarantined. *(Animal Pharm)*

> UK - AVIAN INFLUENZA Birds on two poultry farms in Suffolk and Norfolk have tested positive for a strain of avian flu. The birds tested positive for avian influenza but not the highly pathogenic H5 or H7 types. *(AnimalNet - BBC News)*

> US - HORSE SLAUGHTER On an 11-2 vote, the Illinois House Agriculture Committee approved legislation to overturn the ban on slaughter of horses for human consumption, which was aimed at shutting down the nation's only horse slaughtering plant in DeKalb. In another horse slaughter development, the Montana House of Representatives strongly endorsed a bill that paves the way for construction of a horse slaughterhouse in Montana and aims to bring the industry back to the US. *(Feedstuffs)*

> US - VETERINARIAN MARKETING Creative Marketing Solutions, LLC announced the launch of **My Hometown Vet** online marketing for veterinary practices. My Hometown Vet uses a combination of search engine optimization and individualized marketing to give veterinary practices prominent placement within Internet search engine results. *(company press release)*

> US - FEED INDUSTRY REFERENCE The American Association of Feed Control Officials (AAFCO) has announced that its 2009 Official Publication is available. The publication is an essential reference manual for anyone involved in the feed industry, including pet food. *(Feedstuffs)*

BRAKKE CONSULTING VIEWPOINT

Here in the US, the two large trade shows of the North American Veterinary Conference and the Western Veterinary Conference are now completed. The attitudes and results achieved at these two shows generally establish some sense of direction for the animal health business for the balance of the year. While the shows were well attended, there were no significant new product introductions or redirected marketing programs that caught our attention. Most companies and veterinarians, because of the state of the US economy, are playing it safe and cautious, which could result in a negative growth for the year. It will be interesting to see the first quarter results in a few weeks.

It's also our observation that the FDA approval process is clearly having a negative impact on the timely flow of new products to the marketplace. The costs associated with registering a new compound or product are becoming prohibitive for some companies. The industry needs new products and technologies to improve the health of animals and protect a safe and nutritious food supply. It's to all parties' benefit to have realistic and fair regulations that can be implemented in a reasonable time frame. If the animal health industry is to play a role in the recovery of the current US economy, there needs to be some cooperation from Washington.

Have a great weekend!!

Ron Brakke

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