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**Brakke Consulting's  
Animal Health News & Notes for February 7, 2014**  
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*Editor: Lynn Fondon DVM MBA*

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**KC ANIMAL HEALTH CORRIDOR  
ANIMAL HEALTH INVESTMENT FORUM  
NOW ACCEPTING PRESENTER APPLICATIONS**

The KC Animal Health Corridor is now accepting applications to present at the 2014 KC Animal Health Investment Forum on August 26 in Kansas City, Missouri.

Now in its sixth year, the Forum is one of the only opportunities in the world for early-stage companies in the animal health sector to present their vision, business plan and technology to potential investors.

The selection committee will consider companies that meet the following criteria:

- Seeking \$500,000 - \$20 million in funding
- Revenue projections of \$20 million within 5-7 years

Applications are due on April 18. To apply, go to <http://www.kcanimalhealthforum.com/index.php/apply-to-present/>. For more information, contact Kimberly Young at [young@thinkkc.com](mailto:young@thinkkc.com).

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## COMPANY EARNINGS RELEASES

> **Merck** announced financial results for the full year 2013. Global sales for the full year of 2013 were \$3,362 million, a decline of 1%, including a 2% negative impact from foreign exchange. Lower sales of ruminant products were partially offset by growth in companion animal and poultry products. (*company website*)

> Sanofi reported financial results for the full year 2013. Sales of animal health unit **Merial** decreased 5% to EUR 1,985 million (\$2,733 million) in 2013 reflecting increased competition to Frontline. (*company website*)

> **Orion** reported results for the full year 2013. The Animal Health division's revenues were EUR 71 million (\$96 million), an increase of 3% compared to the previous year. (*Animal Pharm*)

> **Bioniche Life Sciences Inc.** announced financial results for the second quarter of Fiscal 2014 (ended December 31, 2013). Revenues for the Animal Health business unit were \$8.3 million, a decline of 6% compared to the same period in Fiscal 2013. Animal Health net income was \$2.1 million, as compared to net income of \$1.1 million in Q2, Fiscal 2013. (*WallStreetJournal.com*)

> **IDEXX Laboratories, Inc.** reported financial results for the full year 2013. Revenues increased 6.5% to \$1,377 million. Net income for the year increased 6% to \$188 million. Companion Animal Group (CAG) revenue for the year increased 7% to \$1.15 billion. (*company website*)

> **Abaxis, Inc.** reported financial results for the third fiscal quarter ended December 31, 2013. Veterinary market revenues were \$32.2 million, a decline of 19% compared to the comparable period in the prior year. (*Sacbee.com*)

> **MWI Veterinary Supply, Inc.** announced financial results for its first quarter ended December 31, 2013. Total revenues were \$687 million for the quarter, an increase of 20% compared to the same period in the prior fiscal year. Net income was \$18.4 million for the quarter, an increase of 10%. Excluding the impact of the acquisition of the assets of IVESCO Holdings, LLC which closed on November 1, 2013, revenue growth was 10% in the US for the quarter compared to the same period in the prior fiscal year. (*company website*)

> **PetMed Express, Inc.** announced its financial results for the fiscal third quarter ended December 31, 2013. Net sales were \$50 million, an increase of 1% compared to the comparable period in the prior year. Net income was \$4.5 million, a decline of 2%. (*company website*)

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## CLARIFICATION

Zoetis' newly launched Apoquel (oclacitinib tablet) is labeled for twice daily dosing in dogs for up to two weeks; after 14 days, Apoquel may be given once a day for maintenance purposes.

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## **BRAKKE CONSULTING, INC. 2014 INDUSTRY OVERVIEW**

**EARLY REGISTRATION ENDS FEB. 12!**

Brakke Consulting will present the 2014 US Animal Health Industry Overview at the Western Veterinary Conference in Las Vegas, Nevada. The date is:

• WVC: Tuesday, February 18, 2:00 – 4:00 pm, Four Seasons.

To register for WVC, go to [www.brakkeconsulting.com](http://www.brakkeconsulting.com) and scroll down to the "What's New" box. The price is \$385 per person for online registration, available through WEDNESDAY, FEBRUARY 12; late registration is \$425.

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

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## COMPANY NEWS RELEASES

> **Merck Animal Health** introduced Once PMH IN, the only intranasal vaccine to deliver dual bacterial pneumonia protection in healthy beef and dairy cattle. Once PMH IN aids in the control of respiratory disease caused by *Mannheimia haemolytica* and in the prevention of disease caused by *Pasteurella multocida*. (*company press release*)

> **Abaxis**, Inc. announced that the Department of the Army has awarded the company a contract to provide veterinary diagnostic laboratory services to the Veterinary Services Central Fund (VSCF). This contract provides point-of-care laboratory diagnostic instruments and reagents as well as reference laboratory services to approximately 118 Army veterinary activities within and outside the continental United States. The period of performance under this contract is for one year, effective immediately, with options for four additional one-year periods. (*WallStreetJournal.com*)

> **Jaguar Animal Health**, Inc. announced an initial \$2 million closing of its Series A round of financing. BioVeda China Fund ("BVCF"), a private equity and growth capital investor based in China, funded the initial closing and will invest another \$3 million by the end of February 2014. Jaguar is focused on the development and commercialization of health solutions for the global veterinary marketplace from plants used traditionally in rain forest areas. (*Marketwatch*)

> **TNG Pharmaceuticals**, Inc. announced that it completed a \$4.6 million Series A Preferred Stock financing on December 31, 2013. The company's FlyVax product is a patented vaccine designed to significantly reduce the damage caused by horn flies, thus improving the health and wellbeing of cattle. (*company press release*)

> **Kane Biotech** Inc. announced it has received a total of \$397,500 from the exercising of 2,650,000 warrants at \$0.15 per share from warrant holders. The warrants were issued on December 14, 2012 as part of a previously announced financing. (*Marketwatch*)

> Blackstone Holdings, LLC announced it has acquired the veterinary division of **ImageWorks** Corporation/AFP, which sell digital dental imaging equipment. The new company will operate as ImageWorks Veterinary. Financial terms were not disclosed. (*Floridanewswire.com*)

> **Patterson Veterinary** introduced the new Versa II veterinary anesthesia machine. The Versa II, which is manufactured by Patterson Veterinary, is a small animal anesthesia machine designed to meet all the demands of a veterinary practice. (*company press release*)

> CANADA **Modern Veterinary Therapeutics**, LLC announced that the Canadian Veterinary Drugs Directorate (VDD) has approved Cloprostenol Veyx (cloprostenol injection) in cattle for treating certain clinical conditions which delay breeding, manipulating the estrous cycle to better fit specific management practices, and inducing abortion. (*company press release*)

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**BRAKKE CONSULTING, INC.**  
**ANIMALHEALTHJOBS.COM**

**The best place on the web to find qualified job applicants!**

[www.AnimalHealthJobs.com](http://www.AnimalHealthJobs.com) is the premier recruiting web site for the animal health industry. Our database of registered job seekers has grown to over 19,000 resumes, and our website currently has over 115 job postings.

When you need qualified professionals, think of Brakke Consulting and Animal Health Jobs first.

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**ANIMAL HEALTH NEWS**

> US - PEDV Iowa State University Veterinary Diagnostic Laboratory announced it has identified a strain of Porcine Epidemic Diarrhea virus that is not similar to the cases identified in US swine since April 2013. Based on the data currently available, it appears unlikely that this strain is a mutant evolved from PEDV previously identified in US swine. Determination of the entire genome sequences of these new PEDVs are in progress and will help determine the origin of the viruses. (*Farmfutures.com*)

> US - HEARTWORM GUIDELINES The American Heartworm Society (AHS) has revised its guidelines for dogs and cats. The revised guidelines note the documented presence of resistant subpopulations of heartworms, as well as changes in testing and treatment recommendations. The revised AHS guidelines can be found at [www.heartwormsociety.org](http://www.heartwormsociety.org). (*Vet Advantage*)

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**BRAKKE CONSULTING, INC.  
JAPAN'S AND CHINA'S ANIMAL HEALTH MARKETS  
TUESDAY, FEBRUARY 18, 2014  
LAS VEGAS**

Brakke Consulting, Inc. will present a 2-hour seminar offering an overview of the animal health markets in Japan and China. Yuki Ujimasa, DVM, MS, President and CEO of AHRMS, Inc., will discuss recent important developments in the Japanese animal health industry. Jishu Shi, DVM, Ph.D., principal owner of VaxiAm, LLC, will present an introduction to the Chinese animal health industry.

The seminar will be held from 10:00 am to 12:00 pm at the Four Seasons Hotel in Las Vegas. The registration fee for the 2-hour seminar is \$300 per person. To register, please call Brakke Consulting at (972) 243-4033 and ask for Jane Morgan, or email [jmorgan@brakkeconsulting.com](mailto:jmorgan@brakkeconsulting.com)

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**BRAKKE CONSULTING VIEWPOINT**

This week some of the companies reported nice revenue gains for 2013 while others reflected some of the challenges in the marketplace. There are still a couple of the leading companies to report; however, if these reports are close to expectations, our estimate of a 2.5% growth in the industry for 2013 should be fairly accurate.

While there were no mega deals reported this week, the stories related to the continued investments by investment firms in early stage companies and technologies are encouraging. The increased interest by the financial community in animal health the past 18 months is providing new capital to support innovation to solve various health conditions in animals. New health issues continue to evolve such as the new PEDV (porcine epidemic diarrhea virus) hitting the US pork industry. These new diseases offer opportunities for new diagnostics, vaccines and therapies. Mother Nature's evolving "bugs" that infect animals and humans provides a bright future for the industry.

Have a great weekend and stay warm!!

*Ron Brakke*

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