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**Brakke Consulting's  
Animal Health News & Notes for February 8, 2013**  
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**BRAKKE CONSULTING, INC.**

## VETERINARY PRACTICE MANAGEMENT AT WVC

Jessica Goodman Lee, Brakke Consulting's practice management consultant, will be speaking about preventive care in veterinary practice at the Western Veterinary Conference in Las Vegas on Sunday, February 17 and Monday, February 18. To see the details of Jessica's speaking schedule, please visit her website at [http://www.pinniv.com/Articles\\_Seminars.html](http://www.pinniv.com/Articles_Seminars.html)

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

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### COMPANY EARNINGS RELEASES

> sanofi reported results for the fully year 2012. Sales of animal health division **Merial** were EUR 2.18 billion (\$2.95 billion), an increase of 7% (3% at constant exchange rates). (*company website*)

> **Ceva Santé Animale** reported results for the full year 2012. Revenues were EUR 607 million (\$782 million), an increase of 14% compared to the prior year. (*Animal Pharm*)

> **Orion** reported results for the full year 2012. Animal health revenues were up 2% on the previous year at EUR 69 million (\$93 million). The firm was impacted in the fourth quarter by a 28% decline in sales of its Dexdomitor, Domitor, Domosedan and Antisedan animal sedatives. (*Animal Pharm*)

> **Abaxis**, Inc. reported financial results for the third fiscal quarter ended December 31, 2012. Veterinary market revenues were \$39.9 million, up 40% over last year's comparable quarter. Service revenues from Abaxis Veterinary Reference Laboratories (AVRL) were \$1.4 million, up 28% over the second quarter of fiscal 2013. (*company website*)

> **Bioniche Life Sciences** Inc. announced financial results for the second quarter of its 2013 fiscal year ended December 31, 2012. Revenues from the sale of Animal Health products were \$8.8 million, a 19% increase as compared to the same period in the prior year. (*company press release*)

> **MWI Veterinary Supply**, Inc. announced financial results for its first quarter ended December 31, 2012. Total revenues were \$573 million for the quarter, 24% higher than revenues for the same period in the prior fiscal year. Net income was \$16.8 million for the quarter, 27% higher than net income for the same period in the prior fiscal year. (*company website*)

> **Spectrum Brands Holdings**, Inc. reported results for its fiscal 2013 first quarter ended December 30, 2012. The Global Pet Supplies segment reported net sales of \$140 million, an increase of 3.6%. The net sales improvement was attributable to higher sales of companion animal products, driven predominantly by revenues of \$6.4 million from the FURminator acquisition. (*company website*)

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### **BRAKKE CONSULTING, INC. CHINESE ANIMAL HEALTH MARKET OVERVIEW PRESENTED AT WVC**

In an effort to educate US and European companies on the Chinese Animal Health market opportunities, Brakke Consulting is pleased to present an Overview of the Chinese Animal Health Market at the Western Veterinary Conference.

The speaker will be Dr. Jishu Shi, principal owner of VaxiAm LLC. Brakke Consulting recently joined forces with VaxiAm to expand its consulting services into the Chinese animal health market.

Date: Tuesday, February 19th  
Time: 10:30 AM to 12:00 PM  
Location: Desert Willow room, Four Seasons Hotel

To reserve your space, call our office at (972) 243-4033 and ask for Jane Morgan. The registration fee is \$50 per person.

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## COMPANY NEWS RELEASES

> **Zoetis**, formerly the animal health business unit of Pfizer Inc., announced the closing of its previously announced initial public offering on Thursday, February 7. The offering of 99,015,000 shares of its Class A common stock included 12,915,000 shares of Class A common stock that were sold pursuant to the underwriters' option to purchase additional shares, which was exercised in full prior to the closing. Zoetis did not receive any of the proceeds of the offering. Following the completion of the initial public offering, Pfizer owns 100% of the outstanding Class B common stock of Zoetis and retains an approximately 80% ownership of Zoetis. (*Business Wire*)

> **Novozymes** announced it will acquire Canadian industrial enzyme business **logen Bio-Products** for C\$67.5 million (\$67.6 million). Novozymes will pay potential earn-out payments of up to C\$12.5 million to parent company logen. The deal complements Novozymes' animal feed production business, as well as its work in the pulp and paper, textile and grain-processing industries. (*Animal Pharm*)

> **Vets Plus, Inc.** announced it has developed KlaTox Gel to provide support during digestive discomfort and disorders. KlaTox helps maintain intestinal health in large and small animals. KlaTox contains attapulgite clay, hydrated sodium calcium alumino silicate (HSCAS), and kaolin in a ready-to-use gel. (*company press release*)

> **Bimeda** announced that, in a recently issued press release, an incorrect product registration number was referenced regarding its acquisition of Praziquantel Injection. The correct ANADA is 200-176 acquired from **Teva Animal Health, Inc.** (*company press release*)

> **Accord Healthcare** announced that it has received an ANADA approval for generic Meloxicam Injection for use in dogs and cats. (*FDA*)

> **Putney** announced that it has received an ANADA approval for generic Cefpodoxime Proxetil Tablets for use in dogs for the treatment of skin infections. (*FDA*)

> **Aratana Therapeutics** announced it has closed on a \$12 million Series C financing. Proceeds will fund the continued expansion of Aratana's pipeline of companion animal therapeutic products. Existing Aratana investors, as well as new investors, participated in the financing. (*company press release*)

> **Patterson Veterinary** announced it has acquired the assets of **Universal Vaporizer Support (UVS)**. UVS provides cleaning and calibration services for a variety of anesthetic vaporizers used in veterinary medicine. Financial terms were not disclosed. (*company press release*)

> **Patterson Veterinary** announced the upcoming launch of ePet Websites, a full-service website development and maintenance solution for veterinary practices. Patterson has partnered with **LifeLearn's** WebDVM team to create a turnkey solution that fully integrates with ePetHealth's client portal and eMarketing platform. (*company press release*)

> **Animal Health International, Inc.** announced that it has acquired **Turnkey Computer Systems, LLC**, the premier provider of accounting and management systems for the commercial cattle feeding industry. Financial terms were not disclosed. (*Cattlenetwork.com*)

> **Radio Systems Corporation** announced it has acquired **Pup-Pee Solutions**, makers of the indoor Pet Loo and other innovative waste management products designed for inside the home. Financial terms were not disclosed. (*Business Wire*)

> **Petmate** announced that it has acquired **JW Pet Co. Inc.** and **Canine Hardware, Inc.** JW Pet manufactures a range of toys for cats, dogs and birds; Canine Hardware is known for its Chuckit line of fetch games. Financial terms were not disclosed. (*Pet Product News*)

> **I-5 Publishing LLC**, a newly formed joint venture, announced that it has acquired the books, magazines and websites of **BowTie Inc.**, the publisher of *Veterinary Practice News* and other special-interest brands such as *Cat Fancy* and *Dog Fancy*. (*Veterinary Practice News*)

> UK **Dechra** announced the re-launch of Oxyglobin in the UK, pursuant to an exclusive agreement with **OPK Biotech**. The product was withdrawn from the market after the original manufacturer Biopure was acquired by OPK Biotech in 2009. The treatment is now available in an individual 60ml transfusion bag, as well as a 125ml bag. (*Animal Pharm*)

> AUSTRALIA **Regeneus** announced that **Provet** has been appointed to distribute CryoShot, the company's proprietary "off-the-shelf" stem cell therapy for the treatment of musculoskeletal disorders in dogs and horses, in Australia. CryoShot is made from adipose-derived regenerative cells including mesenchymal stem cells from donor animals. (*company press release*)

> JAPAN **Merial Japan** announced that Merial has sued **Fujita Pharmaceuticals** for its patent infringement of Frontline Plus. Merial has alleged that its Japanese patent # 3702965 on a combination product consist of fipronil and (S)-methoprene should be effective up to March 25, 2017, although Fujita has obtained marketing authorization of Myfleagard (fipronil + (S)-methoprene) from the Japanese Ministry of Agriculture, Forestry and Fisheries in October 2012. (*personal communication*)

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## **ANIMAL HEALTH NEWS**

> US - ANTIMICROBIAL USE REPORT The FDA's Center for Veterinary Medicine released its third annual report summarizing 2011 sales and distribution data of antimicrobial drugs approved for use in food-producing animals. FDA cautioned that several variables make it difficult to compare antimicrobial sales and distribution data in food-producing animals with such data collected for antimicrobials intended for human use. The report is available at <http://www.fda.gov/downloads/ForIndustry/UserFees/AnimalDrugUserFeeActADUFA/UCM338170.pdf> . (*Feedstuffs*)

> US - LABORATORY NETWORK The FDA's Veterinary Laboratory Response Network announced it is changing its name to Veterinary Laboratory Investigation and Response Network (Vet-LIRN). The Network's mission is to promote human and animal health by collaborating with veterinary diagnostic laboratories in order to provide scientific information, build laboratory

capacity, and train scientists. The Network also helps the Center for Veterinary Medicine investigate potential problems with animal feeds and animal drugs. (FDA)

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**BRAKKE CONSULTING, INC.**  
**2013 INDUSTRY OVERVIEW AT WVC**  
**ONLINE REGISTRATION ENDS WEDNESDAY**

Brakke Consulting will present the 2013 US Animal Health Industry Overview twice this winter - once at the North American Veterinary Conference in Orlando, Florida and once at the Western Veterinary Conference in Las Vegas, Nevada. The date for the WVC Overview is Tuesday, February 19, 2:00 – 4:00 pm, Four Seasons.

Online registration for WVC is open through Wednesday, February 13. To register, 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; late registration is \$425.

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**BRAKKE CONSULTING VIEWPOINT**

This week we have impressive revenue and earnings reports from several companies. The successful IPO by Zoetis was a leading story this week for the industry and kept many industry players busy watching the trading of Zoetis shares. There were several additional transactions reported, which has the industry on a high regarding what might be next.

The animal health and pet industry is enjoying an upsurge of interest from the financial community that benefits everyone. How long will this high interest level last? Hopefully for a few years, or at least long enough for others to harvest the fruits of their labors or investments.

While there are always some concerns regarding the future, there is currently little on the horizon that dampen the near-term prospects other than drought conditions in some parts of the US. This week the exhibit hall floor at the National Cattle and Beef Association meeting in Tampa was full of producers with their checkbooks ready for action. It's an exciting time to be in the animal health business, which has not always been the case.

Enjoy it while you can and have a great weekend!!

*Ron Brakke*

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