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Brakke Consulting's
Animal Health News & Notes for May 3, 2013
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Editor: Lynn Fondon DVM MBA
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BRAKKE CONSULTING, INC.
TRANSACTION ASSISTANCE

Buying, selling or merging? We can help!

Brakke Consulting assists many clients with mergers, acquisitions, divestitures, and technology licensing. Our transaction experts can provide the insight, ability and contacts you need in the animal health, pet, veterinary and specialty chemicals markets. Please contact any of our offices for a confidential consultation.

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COMPANY EARNINGS RELEASES

> Zoetis reported financial results for the first quarter of 2013. The company reported revenues of $1.09 billion for the first quarter, an increase of 4% from the first quarter of 2012. Net income was $140 million, an increase of 26% compared to the first quarter of 2012. *(company website)*

> Merck announced financial results for the first quarter of 2013. Animal Health sales totaled $840 million for the first quarter of 2013, a 2% increase compared with the first quarter of 2012, including a 2% negative impact due to foreign exchange. *(company press release)*

> Sanofi-aventis reported financial results for the first quarter of 2013. **Merial** sales decreased 5% to EUR 554 million ($730 million), reflecting unfavorable weather conditions and increased competition to Frontline. *(company website)*

> Orion Corp. reported financial results for the first quarter of 2013. Animal Health sales were EUR 15 million ($19.5 million), a decrease of 19% compared to the first quarter of the prior year. *(Animal Pharm, company website)*

> Abaxis, Inc. reported financial results for the fiscal year ended March 31, 2013. Veterinary market revenues were $151 million for fiscal 2013, up 23% year-over-year. *(company website)*

> MWI Veterinary Supply, Inc. announced financial results for its second quarter ended March 31, 2013. Total revenues were $563 million for the quarter, 11% higher than revenues for the same period in the prior fiscal year. Net income was $15.1 million for the quarter, 15% higher than net income for the same period in the prior fiscal year. *(company website)*

> Spectrum Brands reported results for its fiscal 2013 second quarter ended March 31. Global Pet Supplies reported net sales of $161 million, an increase of 3% compared to the comparable period in the prior year. *(Business Wire)*

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COMPANY NEWS RELEASES

> Virbac recalled six batches of Iverhart Plus due to the risk that the batches may have been below specification in potency of one of the active ingredients. *(Animal Pharm)*

> Putney, Inc. announced the launch of Enrofloxacin Flavored Tablets, the first and only FDA approved veterinary generic of Baytril Taste Tabs. *(company press release)*

> DW Healthcare Partners, a healthcare-focused private equity firm, announced an investment in **Med-Pharmex**, Inc. Med-Pharmex noted that the investment will enable the company to move forward with acquisition and product development plans. *(PRNewswire)*

> PSPC, Inc. filed a lawsuit in the US District Court requesting a judgment against **Sogeval Laboratories, LLC** for willful trademark infringement, trademark dilution, and unfair competition. The lawsuit alleges that Sogeval's use of "TRICOX" for veterinary anti-inflammatory medications looks and sounds confusingly similar to the PSPC "PHYCOX" trademark, and further claims that this confusion is compounded by Sogeval's use of product labeling which closely mimics the white and green labeling, font, and overall appearance of the "PHYCOX" product. *(company press release)*

> The FDA announced that **Karyopharm Therapeutics** has earned a Minor Use Minor Species (MUMS) designation for KPT-335 for the treatment of lymphoma in dogs. *(FDA)*

> The FDA announced that **Pathogenes** has earned a Minor Use Minor Species (MUMS) designation for levamisole HCl for the control of residual or recurrent clinical signs due to inflammation associated with Equine Protozoal Myeloencephalitis (EPM) following antiprotozoal therapy. *(FDA)*

> Vedco, Inc. announced a multi-year distribution agreement with **Ceragyn, LLC,** for the distribution of their patented "Purifect" technology-based products to the US Veterinary Profession. The "Purifect" technology revolves around the utilization of Ceragenins, which are synthetic small non-peptide molecules that mimic the immune systems naturally occurring antimicrobial properties. *(company press release)*

> Greer Laboratories announced that its parent company, Albion Medical Holdings, has been acquired by Ares Life Sciences, a healthcare-focused investment group based in Geneva, Switzerland. Financial terms were not disclosed. *(Animal Pharm)*

> Theragenics Corporation announced that **CP Medical** (a wholly-owned subsidiary of Theragenics) launched its "PLUS" line of antibacterial sutures for use in the veterinary market. The initial PLUS line includes the Visorb, Monoswift, and Mono-Dox sutures, now available with the antibacterial coating, chlorhexidine diacetate. *(Business Wire)*

> CANADA **Biogal** announced the Canadian registration of Canine Vaccicheck, an in-house test kit for Parvo Distemper and Hepatitis. Biogal's distributor in Canada, **Aventix Animal Health**, was instrumental in gaining registration approval and will be responsible for marketing these kits in Canada. *(company communication)*

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ANIMAL HEALTH NEWS

> WORLD - WORLD VETERINARY DAY World Veterinary Day was celebrated on April 27 for its thirteenth year. On this occasion the veterinary profession highlights its various contributions to the health of both animals and humans, underlining the vital role of veterinarians in also ensuring animal welfare, food safety, food security, safe world trade in animals and animal products as well as protecting public health. *(ThePigsite.com)*

> US - FLUID THERAPY GUIDELINES The American Animal Hospital Association (AAHA) and the American Association of Feline Practitioners (AAFP) have released fluid therapy guidelines for dogs and cats for use by veterinarians. The guidelines provide practitioners with information on best practice needed in the administration of fluids during specific medical treatments. *(Animal Pharm)*

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BRAKKE CONSULTING VIEWPOINT

The financial results for those companies reporting this week was a mix of positive and negatives. The first report for Zoetis as a stand-alone company showed some impressive gains in profitability. The diagnostics company Abaxis led this week's pack in revenue percentage gain over prior year, which is another confirmation of the rapidly growing market for diagnostics.

As it relates to trends, the reports this week reflect the cautious optimism regarding revenue growth that we hear from clients and a growing concern over the impact of generic brand entries on revenues. It's a very competitive environment in the parasite area in 2013. The media war in flea/tick and heartworm is building for the heart and minds of the pet owners based on the number of television commercials running in the Dallas market for these products.

Have a great weekend!

Ron Brakke

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Brakke Consulting, Inc.
12005 Ford Rd., Suite 530
Dallas, TX 75234 USA