
**Brakke Consulting's
Animal Health News & Notes for June 18, 2010**
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**KC ANIMAL HEALTH INVESTMENT FORUM
AUGUST 31, 2010**
Last week for presenters to submit applications!

The KC Animal Health Corridor is now accepting applications for the second annual KC Animal Health Investment Forum on August 31, 2010, in Kansas City, Missouri.

The forum will showcase animal health and nutrition companies from throughout the world. The selection committee will consider companies that meet the following criteria:

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

If your company meets these criteria and you would like to apply to present, please go to our application web site at www.kcanimalhealthforum.com. Applications must be submitted by **June 25, 2010**.

For inquiries about the application process, email Chris Walsh at cwalsh@stlrcga.org. All other inquiries can be directed to Lynn Parman at parman@thinkKC.com.

COMPANY EARNINGS RELEASES

> **Smithfield Foods Inc.**, reported a loss of (\$101.4 million) for its 2010 fiscal year ended May 2, noting, though, that this was an improvement over its 2009 fiscal year loss of (\$198.4 million) and that operating results improved significantly in all business segments. Almost all of the loss was attributed to its hog production segment. Fiscal 2010 sales totaled \$11.2 billion, compared with \$12.5 billion in fiscal 2009. *(Feedstuffs)*

> **Niusule Biotech Corp** of China announced consolidated financial results for the first quarter ended March 31, 2010. Revenue for the quarter was \$2.5 million. Sales included veterinary medicines totaling \$1.4 million, feed additives totaling \$925,000, pet foods totaling \$170,000 and human products totalling \$49,000. *(MarketWire)*

COMPANY NEWS RELEASES

> **Pfizer Animal Health** announced a global licensing agreement with **Epitopix** for Epitopix' conditionally licensed *Escherichia Coli* Bacterial Extract vaccine. As part of the licensing agreement, Pfizer also acquired global rights to Epitopix' conditionally licensed *Salmonella Newport* bacterial extract vaccine, which is currently available from Agri Laboratories. The Salmonella vaccine will become an exclusive part of Pfizer's livestock portfolio in the US beginning in 2011. *(Cattle Network)*

> **Elanco Animal Health** announced the grand opening of its new 130,000 square foot world headquarters in Greenfield, Indiana, where the company has been based for more than a half a century. Elanco's move from its original premises in the city was occasioned by parent company Eli Lilly and Co's 2008 restructure of its R&D operations, including the sale of the Elanco Greenfield premises. *(Animal Pharm)*

> **Adisseo** announced that Jean-Marc Dublanc will take over as chief executive officer on July 1st, succeeding Gérard Deman who will become president of the board of directors. *(Animal Pharm)*

> **KMG Chemicals, Inc.** announced that it has signed an exclusive distribution agreement with **Solvay Chemicals, Inc.** to distribute the Proxitane AHC product line for animal hygiene in the US. Proxitane AHC has cleaning and disinfecting applications for all buildings, vehicles and containers used by poultry, cattle, swine and sheep growers. The product is currently marketed in Europe and Asia and this exclusive agreement represents Solvay's expansion into the US farm and ranch hygiene market; the agreement also marks KMG's entrance into the farm and ranch hygiene sector of Animal Health products. Financial terms were not disclosed. *(Business Wire)*

> **EW Nutrition GmbH** announced the acquisition of **MLR Innovations**, a producer of probiotics and other novel nutritional additives. The acquisition marks EW Nutrition's entry into the US market. Financial terms were not disclosed. *(Feedstuffs)*

> **NutraCea** announced that it completed the sale of its rights to Natural Glo, Satin Finish and Max-E-Glo equine brands and associated assets to **Manna Pro Products LLC** for a total consideration of \$753,484. The companies also entered into an exclusive agreement for NutraCea to be the exclusive supplier of stabilized rice bran to Manna Pro for the purchased product lines. *(Feedstuffs)*

> **Animal Health Science** announced the launch of two new supplements for horses: Hoof Rite horse hoof care product line and Sand Rite sand removal supplement. *(I-newswire)*

> **Ventures in Veterinary Acquisitions**, LLC, (VIVA) announced its formation this spring. VIVA is a veterinary hospital buyers/sellers consulting service operating throughout the US. (*company press release*)

ANIMAL HEALTH NEWS

> US - CLONED FOAL Researchers at Texas A&M University College of Veterinary Medicine & Biomedical Sciences announced the successful delivery of a foal using oocytes from a live mare, the first such clone in the world. (*University news*)

BRAKKE CONSULTING, INC. MERGER / ACQUISITION / LICENSING

Are you interested in growing your business by purchasing another company, product line or technology? Have you been thinking about selling your company, product line or technology? Have you considered merging your company with another firm to improve shareholder value?

Brakke Consulting, Inc. has assisted many clients with mergers, acquisitions, divestitures and licensing. Find out more about our services on our website at www.BrakkeConsulting.com

BRAKKE CONSULTING VIEWPOINT

The weather in the Midwest and other parts of the country could be impacting the economics of the food animal production. Large areas of the Midwest are underwater due to heavy rains, which could influence production of corn and soybeans. The USDA has forecast record crops for 2010, which should keep feed grain prices at lower levels. However, if the current weather conditions remain for another couple of weeks, the forecast could be impacted negatively. If you're into grass-fed beef it will be a great year.

The feedback from the marketplace that we're receiving from various executives indicates that sales for the first 5 months of the year have been on or above 2010 forecasts. This is good news and suggests that we'll have another good year in animal health. We're still waiting for the introduction of a few significant new products. Where are all the new products? Are they tied up in the regulatory process?

Happy Fathers Day!! Have a great weekend!!

Ron Brakke

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