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**Brakke Consulting's  
Animal Health News & Notes for July 23, 2010**  
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Editor: Lynn Fondon, DVM MBA

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IN THE NEWS:

Brakke news  
[AnimalHealthJobs.com](http://AnimalHealthJobs.com)

earnings news

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other news

[Biosound Esaote](#)  
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[Microbix](#)

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**COMPANY EARNINGS RELEASES**

> Eli Lilly and Company announced financial results for the second quarter of 2010. Worldwide sales of animal health division **Elanco** were \$324 million, an increase of 18% compared with the second quarter of 2009. (*company press release*)

> **Virbac SA** reported financial results for the second quarter of 2010. Net sales for the quarter were EUR 148 million (\$181 million), an increase of 27% compared to the second quarter of the prior year. The integration of products acquired from Pfizer in Australia contributed EUR 15 million to the growth. (*company website*)

> **Vétoquinol** reported financial results for the second quarter of 2010. The company recorded sales of EUR 74 million (\$90 million), an increase of 17%. The sales growth was driven mainly by an increase in organic growth. Revenues increased in all of the geographical regions served by the Group, and in all of its strategic therapeutic segments. (*company website*)

> **IDEXX Laboratories**, Inc. reported that revenues for the second quarter of 2010 increased 6% to \$282 million. Net income for the quarter was \$37.2 million, a 10% increase compared to the comparable period in the prior year. Companion Animal Group ("CAG") revenues for the second quarter of 2010 were \$232 million compared to \$217 million for the second quarter of 2009. *(PRNewswire)*

> **Neogen Corporation** announced that its net income for its 2010 fiscal year, which ended May 31, increased 26% from the previous year to \$17.5 million. Revenues for its fiscal year 2010 increased 18% to \$141 million. Revenues from the company's Animal Safety segment grew 11% in 2010 compared to the prior year to \$64 million. *(company press release)*

> **Heska** reported results for the second quarter of 2010. Net revenue was \$15 million, a decline of 19% compared to the second quarter of 2009. Net loss was \$(165,000) compared to net income of \$579,000 in the second quarter of the prior year. *(company press release)*

> **VCA Antech**, Inc. reported financial results for the second quarter ended June 30, 2010. Revenue increased 3% to a second quarter record of \$354 million; net income increased 1% to \$39.4 million. Animal hospital revenue in the second quarter increased 2% to \$268 million; laboratory revenue in the second quarter decreased 0.2% to \$83 million. *(company press release)*

> **PetMed Express**, Inc. announced its financial results for the quarter ended June 30, 2010. Net sales for the quarter were \$74.4 million, a decrease of 3.6% compared to the quarter ended June 30, 2009. Net income was \$7.2 million compared to net income of \$8.1 million for the quarter ended June 30, 2009. *(company website)*

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## COMPANY NEWS RELEASES

> **Microbix** announced two partnership agreements: one with an international livestock semen distributor who will invest in LumiSort and use it in their semen collection and distribution business; and another agreement with an engineering firm to move it through its final development stages to commercialization. LumiSort is Microbix' proprietary technology that will enable livestock breeders to pre-determine the sex of their herd prior to conception. Financial terms were not disclosed. *(PRNewswire)*

> **Biosound Esaote** announced the launch of two new ultrasound systems for the veterinary market: the MyLab One, a light-weight, fully touch screen system with strong technological innovations and MyLab Twice, a console-based system coupled with point-of-care Ultrasound. Additionally, Biosound Esaote has appointed Vetel Diagnostics as the new exclusive authorized distributor of MyLab ultrasound systems and accessories for the United States veterinary market. *(PRLog)*

> **BluePearl Veterinary Partners** announced the acquisition of three veterinary hospitals in Michigan on one hospital in Atlanta, bringing its total to twelve facilities in seven states. BluePearl focuses on specialty and emergency care for dogs, cats and other animals. Financial terms were not disclosed. *(TampaBay.bizjournals.com)*

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## ANIMAL HEALTH NEWS

> **US - VETERINARY BILL** A federal bipartisan bill has been introduced in the US Senate that would make the Veterinary Medicine Loan Repayment Program (VMLRP) tax-exempt for

veterinarians. The veterinary loan repayment program was established to help address the shortage of veterinarians in certain critical areas with a strong emphasis on food-supply medicine. The federal bill, SB 3621, which is being called the Veterinary Medicine Loan Repayment Program Enhancement Act, would provide a federal income tax exemption for payments received under VMLRP and similar state programs that encourage veterinarians to enter under-served practice areas through student loan repayment. According to its sponsors, removing the tax burden would allow the VMLPR to increase the number of veterinarians selected for the program by one-third. (DVM360)

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**Correction:** The July 2 edition of the newsletter contained a typographical error in the item on Sparhawk Labs' new product approval. The item should have read "Sparhawk Labs reported that it has received ANADA approval for 1% ivermectin injection for treatment of gastrointestinal worms and mange mites in cattle and swine."

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### **BRAKKE CONSULTING VIEWPOINT**

A number of companies are reporting some impressive growth numbers for the first two quarters. In general, what we're hearing from the marketplace is quite positive. A few large animal product categories appear to be soft, but still encouraged by the recent higher prices for pork and beef. Companion animal continues to show strong growth across most categories. Is the financial performance for the leading direct-to-pet-owner business this quarter a trend or just a bad quarter? We'll know more in another 90 days.

I have spent most of this week in the Midwest visiting with friends, clients and investors. It's been a great week except for the very hot weather, which is taking a toll on the livestock, pets and people.

Have a great weekend and stay cool!!

*Ron Brakke*

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Brakke Consulting, Inc.  
2735 Villa Creek, Suite 140  
Dallas, TX 75234 USA