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**Brakke Consulting's  
Animal Health News & Notes for July 24, 2009**  
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IN THE NEWS:

earnings news

[Elanco](#)  
[Fort Dodge](#)  
[IDEXX](#)  
[Intervet/Schering-Plough](#)  
[Merial](#)  
[Neogen](#)  
[Pfizer](#)  
[VCA Antech](#)  
[Vetoquinol](#)

other news

[Bayer](#)  
[Biopure](#)  
[Fressnapf](#)  
[JBS](#)  
[Novartis](#)  
[Pfizer](#)  
[Tyson Foods](#)  
[Vet-Stem](#)  
[Wyeth](#)

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**BRAKKE CONSULTING, INC.  
RECRUITING SERVICES**

Since 1986 Brakke Consulting, Inc. has successfully assisted many clients in acquiring exceptional employees at all levels, in the many departments of animal health, pet, veterinary and specialty chemical companies.

We pre-qualify candidates, allowing clients to choose from a few of the best applicants for a position. Contact us to learn how our approach increases the efficiency and effectiveness of the Human Resources Departments of client companies.

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**COMPANY EARNINGS RELEASES**

> Merck announced financial results for the second quarter of 2009. Sales for animal health joint venture **Merial** were \$651 million, a decrease of 11% compared to the second quarter of 2008. (*company website*)

> Schering-Plough Corporation reported financial results for the 2009 second quarter. Sales for Animal Health division **Intervet/Schering-Plough** totaled \$677 million in the 2009 second

quarter, a 17% decrease as compared to the second quarter of 2008 (7% operational decrease and 10% unfavorable foreign exchange impact). (*PRNewswire*)

> **Pfizer** Inc. reported financial results for the second quarter of 2009. Animal Health revenues for the quarter were \$648 million, a 9% decline compared with the year-ago quarter. Operational growth of 2%, primarily driven by the solid performance in emerging markets and for certain new products worldwide, was more than offset by the negative impact of foreign exchange. (*company website*)

> Wyeth reported results for the second quarter of 2009. Revenues for animal health division **Fort Dodge** were \$285 million, a decrease of 9% compared to the second quarter of 2008. Excluding the effects of currency exchange, sales increased 1%. (*PRNewswire*)

> Eli Lilly and Company announced financial results for the second quarter of 2009. Worldwide sales of animal health division **Elanco** were \$275 million, an increase of 8% compared with the second quarter of 2008. US sales grew 32%, primarily due to the inclusion of sales from the Posilac acquisition completed in October, 2008. (*company press release*)

> **Vétoquinol** reported results for the first half of 2009. Revenues in the first half totaled EUR 120 million (\$169 million), an increase of 3% compared to the first half of the preceding year. When exchange rates are held constant, the growth in revenues was 5%. The businesses acquired in 2008 (in particular, Ascor Chimici in Italy) contributed 9% to sales growth in the first half. (*company website*)

> **Neogen Corporation** announced a 16% increase in revenues for its 2009 fiscal year, which ended May 31. Neogen's revenues for 2009 were \$119 million; net income increased 15% to \$13.9 million. Revenues from the company's Animal Safety segment grew 29% to \$58 million in 2009. (*company press release*)

> **IDEXX Laboratories**, Inc. reported that revenues for the second quarter of 2009 were \$266 million compared to \$281 million for the second quarter of 2008. Companion Animal Group ("CAG") revenues for the second quarter of 2009 were \$217 million compared to \$230 million for the second quarter of 2008. The decrease in CAG revenue was due primarily to the absence of pharmaceutical product sales in the second quarter of 2009 and the unfavorable impact of changes in foreign currency exchange rates. (*PRNewswire*)

> **VCA Antech**, Inc. reported results for the second quarter ended June 30, 2009. Revenues were \$345 million, an increase of 3% compared to the second quarter of 2008. Net income was \$38.9 million compared to \$41.4 million in the comparable period in the prior year. Animal hospital revenue in the second quarter increased 4% to \$261 million driven by acquisitions made in the past twelve months. Laboratory revenue in the second quarter increased 1% to \$83 million. (*Globenewswire*)

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## COMPANY NEWS RELEASES

> The European Commission has given **Pfizer** approval to buy **Wyeth** for \$63.7 billion, after the company offered concessions related to its animal business to allay competition concerns by EU regulators. To address the Commission's competition concerns, Pfizer proposed to divest a number of businesses in several national markets in the following vaccine areas: feline vaccines; cattle vaccines for pasteurellosis and respiratory diseases; swine vaccines for porcine enzootic pneumonia; equine vaccines for influenza and tetanus; and several pharmaceutical areas: sedatives, antibiotics and parasiticides, and in one medicinal feed additive. In other news, Wyeth

shareholders voted overwhelmingly to sell the drug maker to Pfizer Inc., hitting a key milestone on the way to the mega-merger's expected closing later this year. (*Dallas Examiner, WSJ.com*)

> **Biopure** Corporation announced that it has filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. Biopure will continue to manage and operate its businesses and assets during the pendency of the bankruptcy case, subject to the supervision of the Bankruptcy Court. (*company website*)

> **JBS USA** announced it has filed paperwork for a \$2 billion public offering with the Securities and Exchange Commission. The proceeds will be used to continue its growth strategy into the next five years. JBS SA will remain a controlling interest in the company. (*Greeley Tribune*)

> **Tyson Foods** announced that the company's Pork Group will sell five hog farms located in Arkansas and Missouri for an undisclosed amount. The group also reported they will reduce their sow herd by 20,000 sows over the next ten weeks. (*Pork Magazine*)

> CHINA **Bayer (Sichuan) Animal Health** announced the launch of advantix flea and tick spot-on for dogs in China. advantix will be available by prescription only from veterinarians. (*company website*)

> CANADA **Vet-Stem** announced the Canadian launch of its stem cell therapy services for dogs. (*company press release*)

> EU The European Committee for Medicinal Products For Veterinary (CVMP) announced it has adopted a positive opinion on Zolvix (monepantel), from **Novartis**. Zolvix is a broad spectrum anthelmintic for the treatment and control of gastro-intestinal nematodes and associated diseases in sheep of all age groups. (*CNNMoney*)

> EU The 1,000th **Fressnapf** pet store opened its doors in Munich, Germany. The new XXL store offers the best of the best of over 12,000 products over a sales area of approximately 1,200 square meters. (*Pets International*)

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## ANIMAL HEALTH NEWS

> ARGENTINA - H1N1 FLU Argentinian authorities announced a national animal health alert as the influenza A (H1N1) virus had been detected on a second pig farm in the Buenos Aires province. Argentinian authorities assume that the contamination at the pig farms has happened through workers. In that case, it is likely that this is the second man-to-pig transmission of the novel H1N1 virus. (*Pig Progress*)

> CANADA - TRACEABILITY Canada's agriculture ministers have committed to a mandatory national traceability system for livestock and poultry by 2011. Alberta is currently implementing a system that traces an animal or animal product all the way from birth to slaughter. (*Pig International*)

> US - FLEA PRODUCT SAFETY SITE FDA has posted a new web page regarding the safe use of flea and tick products for pets, with particular emphasis on spot-on flea and tick products. The consumer advisory states that EPA does not advise pet owners to stop using spot-ons, but asks them to use caution and make informed decisions when selecting treatment methods. To see the page, go to <http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm169831.htm> (FDA)

> US - SAFE FEED WEBSITE The American Feed Industry Association (AFIA) launched a new website that provides details about the Safe Feed/Safe Food Certification Program. An explanation of the program and testimonials from feed-industry experts are among the materials available on the new site, which can be found at <http://www.safefeedsafefood.org>. (*PetFood Industry*)

> US - ANIMAL HEALTH EDUCATION Kansas State University will offer a new 16-credit-hour online graduate certificate in the Management of Animal Health Related Organizations beginning this fall. The graduate certificate program was developed by K-State's College of Business Administration through a partnership with the Beef Cattle Institute and Division of Continuing Education. Courses include topics in the managerial challenges and dynamics of the animal health industry, business functional area courses drawing on examples from a range of industries and a detailed project based on a practical need in the employing organization. (*group press release*)

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**AACPPV Networking Breakfast  
How to Find (or Be!) an Ideal Candidate in the Veterinary Industry  
CVC Central - Monday, August 31**

The American Association for Corporate and Public Practice Veterinarians is pleased to present a round-table discussion on recruiting and hiring in the animal health industry. Brakke Consulting's Ken Berkholtz will be one of four round-table participants sharing tips for both jobseekers and hiring managers on how to market yourself and how to match the best candidate with every position.

The round-table will be part of AACPPV's networking breakfast in Kansas City at 8 am on Monday, August 31. Non-members are welcome to attend. For more details, go to AACPPV's website at <http://www.aacppv.org>

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**BRAKKE CONSULTING VIEWPOINT**

Some of the financial sales results are in for the second quarter and it appears that it's a challenging time for most companies. Based on various economic indicators it's likely to be a similar scene in the third quarter as well. While we would like to be more optimistic regarding the marketplace, there are few fundamentals to support positive movement until early in 2010.

In the meantime, we encourage our clients to not lose focus regarding the future of your business. If you plan to be in animal health in 2010 and beyond, you need to continue to invest in research and quality management. Good people and new products will be important elements in changing the revenue and profit trends.

Have a good weekend!!

*Ron Brakke*

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