
**Brakke Consulting's
Animal Health News & Notes for July 27, 2012**
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KC Animal Health Corridor "Homecoming Hoedown"

Monday, August 27, 2012

Hale Arena

The seventh annual KC Animal Health Corridor Homecoming dinner will be held Monday, Aug. 28 from 5 – 9 p.m. at Hale Arena in Kansas City.

This year's event will feature Kix Brooks, and will also honor former president and CEO of Boehringer Ingelheim Vetmedica and past chair of the KC Animal Health Corridor Advisory Board, George Heidgerken, with the 2012 Iron Paw Award.

Visit KCanimalhealth.com/homecoming for full details and registration.

COMPANY EARNINGS RELEASES

> Eli Lilly announced financial results for the second quarter of 2012. Worldwide sales of **Elanco Animal Health** were \$512 million, an increase of 32% compared with the second quarter of 2011. US sales grew 40% due primarily to increased demand for companion animal products. Sales outside the US increased 21% driven primarily by the impact of the acquisition of certain Janssen animal health assets in Europe. (*company press release*)

> **Ceva** reported results for the first half of 2012. Consolidated sales were EUR 304 million (\$368 million), up by 17% on the same period 2011 (16% excluding impact of exchange rates). In the pharmaceutical sector, companion animal revenues increased 23%. (*company press release*)

> **Neogen Corporation** announced results for its fiscal year ended May 31, 2012. Revenues increased 7% to \$184 million compared to the previous fiscal year. Net income for the fiscal year was \$22.5 million, down 1% compared to the prior year's net earnings. Animal Safety revenues for the year were \$93 million, an increase of 7% compared to the prior year. (*company press release*)

> **Eco Animal Health** reported results for the fiscal year ended March 31, 2012. The company increased revenues 4% to GBP 28.3 million (\$44 million); profit increased 32% to GBP 2.6 million (\$4.0 million). (*Proactiveinvestors.com, sharecast*)

COMPANY NEWS RELEASES

> **Merial** introduced Frontline Tritak for Dogs, a new formulation in the Frontline family of products. The triple action formula of Frontline Tritak for Dogs adds cyphenothrin to fipronil and (S)-methoprene. Frontline Tritak is distributed exclusively through veterinary practices, and is currently available in nine southern states. Merial plans to roll out Frontline Tritak for Dogs in additional states in early 2013. (*company press release*)

> **Ceva Biomune** announced a \$7 million renovation of its R&D facility in Lenexa, Kansas. Currently, R&D operates out of 2,200 square feet of lab space. The renovation will give the team 18,000 square feet of BSL-2 (bio safety level 2) laboratory space and 15,000 square feet of office space. (*company press release*)

> **Bioniche** announced it has received regulatory approval in the US and Canada for Immunocidin, an immunotherapy treatment for the intratumoral treatment of mixed mammary tumor and mammary adenocarcinoma in dogs. (*AVMA SmartBrief - Australian Life Scientist*)

> **Pegasus Laboratories** introduced ReBalance, the only FDA-approved drug combination of its kind for the treatment of Equine Protozoal Myeloencephalitis or "EPM." The active ingredients in ReBalance are a well-known therapy for the treatment of EPM employing two different antimicrobial agents. (*company press release*)

> **FreeHand**, a new pet food company, announced it has launched a line of dog foods, and for each bag of food purchased the company will donate an equivalent amount of food to a rescue organization or shelter. The company's line of foods is currently available in the Dallas-Fort Worth, Southern California and Indianapolis markets through independent retail stores, veterinarians and ancillary services. (*Vet Advantage*)

> **Cal-Maine Foods Inc.** has announced that the company has reached an agreement with **JBS USA** to acquire the egg operations of **Pilgrim's Pride Corp.** The assets include two production complexes with a capacity to house 1.4 million hens and adjacent land. Financial terms were not disclosed. (*Feedstuffs*)

> EU **MSD Animal Health** (known as **Merck Animal Health** in the USA and Canada) announced the European launch of Panacur AquaSol (fenbendazole), a new, water-administered dewormer for swine that stays in suspension without re-stirring. Panacur AquaSol is indicated for the treatment and control of gastrointestinal nematodes. (*company press release*)

> EU **MSD Animal Health** (known as **Merck Animal Health** in the USA and Canada) announced the UK launch of Caninsulin VetPen, the first insulin pen specifically designed for diabetic dogs and cats. Further launches in other European markets are expected later this year. (*company press release*)

> JAPAN **Merial** announced that it has obtained approval from the Japanese MAFF to market GastroGard (omeprazole) for treatment and prevention of gastric ulcers in horses. The company also announced a distribution agreement with **EBM Trading Japan KK** for GastroGard in the Japanese horse market. (*company communication*)

ANIMAL HEALTH NEWS

> US - CHRONIC WASTING DISEASE A white-tail deer at a hunting preserve in Davis County, Iowa, has become the first positive detection of chronic wasting disease (CWD) in Iowa. The hunting preserve is surrounded by an 8-ft. fence; a quarantine has also been issued for the facility. Iowa's Department of Natural Resources will increase testing of wild deer in the area by working with hunters and landowners to collect samples from hunter harvested deer beginning this fall. (*Feedstuffs*)

BRAKKE CONSULTING, INC. STRATEGIC PLANNING ASSISTANCE Do You Know Where Your Company Is Going?

Brakke Consulting is an excellent resource for your company's strategic planning. We provide the following services:

- Review the revenue estimates and success probability of your product pipeline.
- Review the timing of various new product introductions versus probable timing of competitive introductions, and estimate the impact of various scenarios.
- Benchmark various functions against company competitors in the larger markets, which might include sales force size, technical services and/or R&D spending vs. sales.

Through strategic planning, Brakke Consulting can help improve the likelihood of success for your company's future endeavors. Contact us for professional assistance in any of these areas.

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BRAKKE CONSULTING VIEWPOINT

It's been an interesting week in animal health. The weather continues to be hot in most parts of the US, but if the weatherman is right there should be some rain this weekend in parts of the Midwest. Hopefully there will be enough rain to sustain some of the field crops. We noted that September corn futures were \$8.12 per bushel in this morning's paper. At that price level it could mean that both animal protein and ethanol production could be in jeopardy for a period of time.

Also, in this week's news the flea and tick category continues to see new entries such as the one announced by Merial. It is no wonder the consumer is confused over brand recognition and recall. How many brands and SKU's do consumers have to choose from at this point in the flea and tick area? I'm even confused, which is not new!!

Have a great weekend!! Let's all do a rain dance, but inside where it's cool.

Ron Brakke

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