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**Brakke Consulting's  
Animal Health News & Notes for July 31, 2009**  
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IN THE NEWS:

earnings news

[ABAXIS](#)

[Animal Health International](#)

[Bayer](#)

[ECO Animal Health](#)

[Hill's](#)

[MWI](#)

[OurPet's Company](#)

other news

[Abbott](#)

[BioCurex](#)

[Bow Wow Pet](#)

[Clean Earth Technologies](#)

[Ethical Products](#)

[Intervet/Schering-Plough](#)

[Merck](#)

[Merial](#)

[Nestle Purina](#) (cat appetizer)

[Nestle Purina](#) (accessories)

[Petcetera](#)

[sanofi-aventis](#)

[The Onecare Co.](#)

[Velcera](#)

[Vetericyn](#)

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**BRAKKE CONSULTING, INC.  
launches newly redesigned website**

Brakke Consulting has updated and redesigned its corporate website to make it easier for animal health and nutrition executives to source information about industry events and news.

The site includes a calendar of industry events, an archive of Brakke's highly regarded electronic weekly newsletter, and an extensive list of links to other industry organizations. The site also includes a complete catalog of research reports and other market data available from Brakke Consulting.

To check out our new website, go to [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

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**COMPANY EARNINGS RELEASES**

> **Bayer** reported results for the second quarter of 2009. Animal health sales increased 4% to EUR 271 million (\$381 million) compared to the second quarter of the prior year. (*company website*)

> **MWI Veterinary Supply**, Inc. announced financial results today for its third quarter ended June 30, 2009. Revenues were \$248 million for the quarter, 19% higher than revenues for the same period in the prior fiscal year. Net income was \$6.6 million for the quarter, 22.1% higher than net income for the same period in the prior fiscal year. (*company website*)

> **Animal Health International**, Inc. announced that net sales declined 12% to \$151 million for its third fiscal quarter ended March 31, 2009 compared to the same quarter last year. Net loss for the quarter was (\$0.3 million) compared to net income of \$1.9 million last year. (*company website*)

> Colgate-Palmolive Company reported results for the second quarter 2009. Sales for **Hill's Pet Nutrition** were \$530 million, a decrease of 3% compared to the second quarter of last year. (*company website*)

> **ABAXIS**, Inc. reported financial results for the first fiscal quarter ended June 30, 2009. Veterinary market sales for the quarter were \$21.8 million, an increase of 31% over the comparable quarter in 2008. (*company press release*)

> **ECO Animal Health** reported results for its full 2009 fiscal year ended March 31. Profit attributable to shareholders before interest, tax, depreciation, amortization, share based payments and exceptional items rose to GBP 3.74 million (\$5.3 million) for the year, compared to GBP 2.24 million in the prior year. Turnover was up 17.4% at GBP 19.34 million (\$27.5 million). (*Sharecast.com*)

> **OurPet's Company** reported financial results for its second quarter and first half ended June 30, 2009. Net revenues for the 2009 second quarter increased 20% to \$3.6 million compared to the same period a year ago. Net income for the 2009 second quarter was \$195,000, compared to a net loss of (\$770,000) for the same period in 2008. (*Business Wire*)

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## COMPANY NEWS RELEASES

> **Sanofi-aventis** announced it will acquire the other half of **Merial** from its partner **Merck** for \$4 billion in cash. The companies also signed a call-option agreement which would give sanofi-aventis the option to combine the **Intervet/Schering-Plough** business with Merial to form an animal health joint venture that would be owned equally by the new Merck and sanofi-aventis. (*Reuters*)

> **Abbott** announced it has partnered with **Velcera**, Inc. to market the first canine pain management product delivered in a transmucosal mist form. Currently in clinical trials, the product combines meloxicam, a nonsteroidal anti-inflammatory drug (NSAID), with Velcera's patented Promist technology, and has been globally licensed for pain management in dogs. (*company press release*)

> **Vetericyn**, Inc. announced the launch of Vetericyn VF, a special veterinary formulation of the FDA-cleared technology, Vetericyn wound and infection treatment. Vetericyn VF contains nearly double the potency of the original Microcyn-based formulation. (*Business Wire*)

> **BioCurex** Inc. announced it has developed OncoPet, a blood test that detects a variety of malignant cancers in dogs. The technology identifies a cancer marker found on malignant cells

but not on most normal or benign cancer cells. The company plans to market the test to North American veterinarians within a few months. (*Veterinary Practice News*)

> **Nestle Purina** announced the launch of Fancy Feast Appetizers for cats. The company plans to launch a national ad campaign beginning next month to market the product as a premium brand. (*Petfood Industry enews*)

> **Nestle Purina PetCare** announced it has entered the US pet accessories market with the launch of the Purina Pet Gear collection dog and cat accessories. Licensees include **Ethical Products Inc.**, **Bow Wow Pet** and **The Onecare Co.** (*Pet Product News*)

> The EPA announced it has approved **Clean Earth Technologies'** Peridox antimicrobial pesticide to deactivate anthrax spores on hard surfaces. (*Veterinary Practice News*)

> CANADA Pet store chain **Petcetera** began liquidation sales at all of its 45 locations after a proposal to restructure didn't satisfy its creditors. The chain was founded in 1997. (*Pet Product News*)

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### ANIMAL HEALTH NEWS

> US - EEE The death of two horses with eastern equine encephalitis (EEE) in Texas has led the authorities to urge horse owners to vaccinate their animals. The two EEE cases were reported in East Texas. EEE has already been reported in July in horses in the states of Florida, Louisiana, Missouri and Virginia. (*Animal Pharm*)

> US - CATTLE INVENTORY The USDA released its Cattle Inventory report, which was generally in line with market expectations and provided further evidence of a shrinking cattle herd. The total cattle inventory on July 1, at 101.8 million head, was 1.5% lower than a year ago and indicated the smallest herd since USDA started tracking the inventory in 1973. (*Meating Place*)

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### BRAKKE CONSULTING VIEWPOINT

As suggested last week, we're now starting to see the outcomes for the two large transactions occurring in the industry in 2009. The rumor mill continues to provide some interesting alternatives as to what is yet to be announced. Hopefully before too long we'll know the results and the winners and losers can begin the integration process and move forward.

There are two groups that seem to be most interested in the final resolution of all this activity in the industry. The first is the many employees in the companies being merged or divested; the second is the distribution network that is dependent upon the product lines of those companies to supply to their customers.

If you're in the process of developing your business plans for 2010 you're probably just a bit uneasy about what might occur and how it would impact your business. It would be our suggestion that you plan conservatively for 2010. Most economists believe that unemployment in the US will remain at the 10% or higher level in 2010, which will negatively impact the purchase of products and services during the year. If we have even minimal growth in 2010, we'll call it a victory.

Have a good weekend!!

*Ron Brakke*

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