
**Brakke Consulting's
Animal Health News & Notes for August 13, 2010**
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**KC ANIMAL HEALTH CORRIDOR
HOMECOMING 2010
MONDAY, AUGUST 30
5:30 - 9:00 pm**

The Kansas City Animal Health Corridor cordially invites the animal health industry to join them for an exclusive gathering of animal health CEOs and industry leaders from across the country at its annual Homecoming Event in Kansas City. The event will feature an appearance by Jack Hanna, Director Emeritus of the Columbus Ohio Zoo and Aquarium. In addition, the Iron Paw award will be presented to animal health industry leader Bob Wheeler, former CEO of Hill's Pet Nutrition.

To register, go to www.kcanimalhealth.com/homecoming

COMPANY EARNINGS RELEASES

> King Pharmaceuticals, Inc. announced results for the second quarter ended June 30, 2010. Net revenue from the **Alpharma Animal Health** business totaled \$85 million during the second quarter of 2010, an increase of 2% compared to the second quarter of 2009. (*company website*)

> **Digital Angel** announced financial results for the period ended June 30, 2010. Revenues from the animal identification segment, Digital Angel's core business, were \$7.4 million this year compared to \$7.5 million in the second quarter of 2009. (*company website*)

> **ECO Animal Health** reported results for the full year ended March 31 2010. Revenues climbed 15% to GBP 21.8 million (\$32.8 million). (*Proactive Investors UK*)

> **Nestle SA** reported results for the first half of 2010. PetCare sales were CHF 6,527 million (\$6,104 million), representing organic growth of 5%. (*company press release*)

> **Tyson Foods** Inc. reported results for its fiscal 2010 third quarter ended July 3, 2010. The company reported earnings of \$248 million and sales that totaled \$7.438 billion, which compared with fiscal 2009 numbers of \$131 million and \$6.662 billion. Beef and pork operating income in the quarter were up 267% and 446%, respectively. (*Feedstuffs*)

COMPANY NEWS RELEASES

> **Biolex Therapeutics**, Inc and **Merial** Ltd announced that they have entered into a research and development collaboration to produce innovative veterinary vaccines. The collaboration will combine Biolex's proprietary Lemna expression system with Merial's expertise and commercial presence in veterinary vaccines. No financial details were released. (*company website*)

> **Tridelta Development** Limited, announced that the company has been the subject of a management buyout. The company also announced that it has signed an world-wide deal with Eurolyser, who will be providing Tridelta with the "Solo", an analyzer for the worldwide veterinary market. (*company press release*)

> Menu Foods Income Fund and Simmons Pet Food Inc., an affiliate of Simmons Foods Inc., announced that the Fund has entered into a definitive agreement with Simmons providing for **Simmons Pet Food's** acquisition of **Menu Foods** Ltd., the fund's operating subsidiary. Simmons will acquire Menu Foods for approximately C\$ 239 million, including assumption of existing debt. (*Feedstuffs*)

> **OurPet's Company** announced it has entered into an asset purchase agreement with **Cosmic Pet Products**, a leading supplier of catnip. It is anticipated that the purchased assets of Cosmic Pet will contribute approximately \$2.25 million-\$2.75 million in revenue. Financial terms were not disclosed. (*company press release*)

> MEXICO **Boehringer Ingelheim Vetmedica**, Inc. announced it has successfully concluded the purchase of certain **Fort Dodge** cattle vaccines for **Boehringer Ingelheim Vetmedica Mexico**. This transaction is part of the acquisition of significant assets of **Fort Dodge Animal Health** in 2009 and will considerably strengthen the cattle product portfolio of **Boehringer Ingelheim Vetmedica Mexico**. (*WebWire*)

> INDIA **Lohmann Animal Health** announced formation of a joint venture with **Suguna**, a leading poultry company in India, for manufacturing and marketing its range of poultry vaccines. The JV Company will be named **Globion India** Private Limited. (*PRLog*)

BRAKKE CONSULTING, INC. MERGERS, ACQUISITIONS, DIVESTITURES

TECHNOLOGY LICENSING

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

Brakke Consulting, Inc. has successfully assisted many clients with mergers, acquisitions, divestitures and technology licensing. For more information, go to www.BrakkeConsulting.com.

ANIMAL HEALTH NEWS

> US - ANIMAL ID USDA's Animal and Plant Health Inspection Service (APHIS) announced it will hold three additional public meetings on the animal disease traceability framework approach. On Feb. 5, the US Agriculture Secretary announced USDA would develop a new framework for animal disease traceability in the US under which states and tribal nations must establish the ability to trace, back to their state of origin, animals moving interstate. (*Meating Place*)

> US - PRICE REPORTING The reauthorization of the Livestock Mandatory Price Reporting Act, which would extend and also expand the reach of the law, has passed the full Senate; it still awaits a vote by the full House. The two versions are identical. The Act would to reauthorize the law for another five years. It also would amend the Agricultural Marketing Act of 1946 to require the creation of an electronic price reporting program. It's been in effect for the processors, packers and importers of many meat products for 10 years; the current bills expand it to include pork cuts and dairy products. (*Meating Place*)

> H1N1 FLU The World Health Organization has determined that the H1N1 virus is entering into the post-pandemic period. WHO's Director-General commented that, based on experience with past pandemics, they expect the H1N1 virus to take on the behavior of a seasonal influenza virus and continue to circulate for some years to come. (*Meating Place*)

2010 ANIMAL HEALTH INVESTMENT FORUM AUGUST 31, 2010 KANSAS CITY

The 2010 Animal Health Investment Forum will feature presentations from 21 early stage animal health companies from around the world.

This forum is being presented by The KC Animal Health Corridor and will take place on **August 31, 2010, in Kansas City, Missouri**. It offers the **only opportunity in the world** for companies exclusively in the animal health sector to present their vision and business plan to potential investors and industry stakeholders. This annual forum also provides an unprecedented opportunity for venture capital, investment firms and animal health companies to hear from emerging companies with the newest technology.

Registration for the event is \$500 for presenting companies and \$350 for other attendees. To register, go to <http://www.kcanimalhealthforum.com/attend.php>.

BRAKKE CONSULTING VIEWPOINT

The heat wave seems to be taking its toll on animals and humans the past few days. In spite of the difficult weather there seems to be plenty of activity in animal health. We continue to track the number of licensing deals related to new technology (innovation) that are occurring, some of

which are reported above. If you develop new technology with IP, you'll find a ready partner or purchaser.

As for the general business environment, a few companies are struggling but generally most firms are making their 2010 forecasts. After many years of observing, I still can't determine if 106 degree heat is good or bad for insects/parasites. Besides humidity I think it depends a lot on whether or not you're ahead or behind for your sales forecast for the year.

We continue to believe that 2010 will be a positive year for the industry in the US. Food animal protein prices have increased compared to early 2010, and even with the heat wave, we're anticipating positive harvests of the key feed grains. This should bode well for fall sales in the food animal area. Companion animal products just keep bouncing along with positive growth.

So, stay cool and enjoy what is left of the summer!!

Ron Brakke

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