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**Brakke Consulting's  
Animal Health News & Notes for August 14, 2015**  
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**BRAKKE CONSULTING, INC.  
EXECUTIVE, SALES FORCE and TECHNICAL SERVICES RECRUITING**

At Brakke Consulting we find the right person to fit your company's needs. We have an unequaled network in animal health, and unique insights into what veterinarians value in an animal health professional, including the sales rep attributes that correlate to higher sales volume.

As part of our executive recruiting services, we manage the entire process of identifying and recruiting top candidates, including:

- Developing metrics to help rank candidates
- Scheduling interviews and arranging for travel
- Maintaining communications with candidates throughout the process

For more information about our recruiting services, visit our website or call one of our consultants:

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**COMPANY EARNINGS RELEASES**

> **Ouro Fino Saúde Animal** reported results for the second quarter of 2015. Sales were R\$132.7 million (\$38.2 million), an increase of 12% compared to the second quarter of 2014. Sales growth was boosted by the company's food-producing animal unit. (*Animal Pharm*)

> **Parnell Pharmaceuticals Holdings** announced financial results for the six-month period ended June 30, 2015. Revenues for the six-month period were A\$4.9 million (US\$3.6 million), an increase of 5% from the prior-year period. Other Income increased 274% to A\$4.7 million (US\$3.4 million) in the six months ended June 30, 2015, primarily driven by management's reassessment of contingent provisions associated with supplier obligations. The net loss was A\$(3.0) million compared to a net loss of A\$(12.9) million in the prior-year period.  
(*Money.cnn.com*)

> **Nestle SA** reported results for the first half of 2015. Sales for Pet Care were CHF 5,465 million (\$5,576 million), representing organic growth of 5% compared to the first half of the prior year.  
(*company press release*)

> **Immucell Corporation** announced financial results for its second quarter ended June 30, 2015. Total sales increased 27% to \$1.96 million during second quarter 2015 compared to second quarter 2014; net income of \$94,000, in contrast to net (loss) of (\$295,000) during second quarter 2014. (*company press release*)

> **Aratana Therapeutics** reported results for the second quarter of 2015. Aratana had revenues of \$230,000 from its T-cell lymphoma product (AT-005), and recorded a net loss of \$(8) million, an improvement on the loss of \$(9.3) million in second quarter of the previous year. Aratana's bottom line was boosted when it exercised warrants acquired from Advaxis as part of a license agreement and sold the remaining Advaxis shares, resulting in a gain of \$3.2 million. (*Animal Pharm*)

> **Kindred Biosciences, Inc.** announced financial results for the second quarter ended June 30, 2015. KindredBio reported a net loss of \$(6.9) million for the quarter, compared to a net loss of \$(8.1) million for the same period in 2014. (*PRNewswire*)

> **Trupanion** reported results for the second quarter of 2015. Total revenues were \$35.6 million, a 27% increase compared to the same quarter a year ago. Trupanion's net loss for the second quarter was \$(4.9) million compared to a net loss of \$(3.5) million a year ago. (*PRNewswire*)

> **Peak Pharmaceuticals, Inc.** announced results of operations for the three months ending June 30, 2015. Revenues of \$317,244, a healthy increase over Q2. All revenues were earned from sales of the company's Canna-Pet line of products. (*Money.cnn.com*)

> **Cargill** reported results for the fiscal year ended May 31, 2015. The company earned \$1.58 billion, a 13% decrease from the prior year. Revenues decreased 11% to \$120.4 billion. The Animal Nutrition & Protein segment posted increased profits for the full fiscal year, with strong performances in global animal nutrition, Central American poultry, and US pork, turkey and egg further processing. (*Watt AgNet*)

> **Land O'Lakes Inc.** reported results for the second quarter of 2015. Net sales were \$7.1 billion and net earnings of \$180 million for the period ending June 30, 2015. Animal feed, including Purina Animal Nutrition, continued to see strong results through the second quarter of 2015, driven by strong margins in the Livestock and Lifestyle portfolios. (*Watt AgNet*)

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## COMPANY NEWS RELEASES

> **Bayer Animal Health** announced the launch its Zelnate, a bacterial-produced plasmid DNA with a liposome carrier that stimulates the innate immune system in cattle. Zelnate is indicated for use as an aid in the treatment of Bovine Respiratory Disease due to Mannheimia haemolytica in cattle 4 months of age or older, when administered at the time of, or within 24 hours after, a perceived stressful event. (*Bovinevetonline.com*)

> **Neogen** announced that its Igenity Dairy Heifer Program now features an upgraded Igenity-Elite genomic test that analyzes nearly 150,000 gene markers. (*company press release*)

> **Veterinary Products Laboratories** announced the launch of Duralactin Feline + Fatty Acids Soft Chews to help manage inflammation in cats and support healthy skin, and a newly reformulated Duralactin Canine Joint Plus Soft Chews to help manage inflammation while maintaining healthy joints and cartilage. (*Business Wire*)

> **Pharmgate** announced the relocation of its headquarters from Ramsey, New Jersey to Wilmington, North Carolina. The new office will house approximately 10 employees involved with corporate functions and customer service for Canada and Latin America. The Omaha, Nebraska manufacturing plant and office will continue to house supply chain, customer service and accounting functions for the domestic US business. (*company press release*)

> **Entest BioMedical** Inc.'s Zander Therapeutics unit announced it has filed a provisional patent application with the US Patent Office on intellectual property in the veterinary oncology space. The patent relates to a personalized canine cancer immune therapy platform. The US application # 62199256, entitled "Cancer therapy by ex vivo activated autologous immune cells" covers methods of activating blood cells from cancer patients outside of the body, and "reprogramming" the cells to attack the cancer once re-administered to the same patient. (*Money.cnn.com*)

> The **Nutro Company** has released two new dog food lines: Farm's Harvest, which includes real fruits and vegetables; and Nutro Rotations, which allows dog owners to mix up their pets' menus without upsetting their stomachs. (*PetBusiness.com*)

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## ANIMAL HEALTH NEWS

> **US - COUNTERFEIT DRUGS** An indictment was recently unsealed charging four men with various offenses based on their roles in smuggling pet products with counterfeit labels into the US. The indictment alleges the defendants smuggled veterinary products that were not manufactured for the US market into the US for distribution under false labels, including Frontline and Frontline Plus. (*Justice.gov*)

> **US - FAIRNESS TO PET OWNERS ACT** The Fairness to Pet Owners Act (H.R. 3174/S. 1200) has once again surfaced in Congress. This legislation would require veterinarians to provide clients with written prescriptions for their pets, regardless of the clients' wishes. According to the AVDA, the AVMA's Principles of Veterinary Medical Ethics and its guide on Client Requests for Prescriptions already states that veterinarians shall write prescriptions upon request, and a majority of states already have similar laws or policies. (*Vet Advantage*)

> **US - MEAT EXPORTS** Export data released by the USDA and compiled by US Meat Export Federation, reflected a challenging first half of 2015 for US pork and beef exports. For the first half of 2015, pork exports were down 5% in volume (1.09 million metric tons) and 16% in value

(\$2.88 billion). Beef export volume was down 10% to 527,109 mt, while value was steady with 2014's pace at \$3.26 billion. (*Feedstuffs*)

> US - REMOTE INJECTION IN CATTLE The Beef Quality Assurance (BQA) program, administered by the beef checkoff, has issued an advisory statement regarding the use of pneumatic darts or other remote injection methods in cattle. There are no BQA guidelines for the administration of injectable drugs/products by the use of pneumatic darts or other similar methods designed to administer injectable products into cattle from a distance. According to the BQA statement, the companies manufacturing, selling and promoting these drug delivery devices have "the responsibility and the obligation to develop data to establish efficacy, safety, animal welfare, food safety and other concerns as compared to current BQA approved methods of drug/product administration." Until such time as this critical data becomes available these methods do not meet BQA injectable product administration guidelines. (*Feedstuffs*)

> US - FOOD SAFETY RESEARCH The USDA's National Institute of Food & Agriculture (NIFA) announced more than \$27.6 million in funding for projects that will boost food security through improved animal production and health. The outcomes of these projects will advance genome-enabled precision breeding and enhance animal production by improving animal growth, reproductive efficiency and animal well-being. These projects will also increase the understanding of antimicrobial resistance and enhance animal health by tackling new, foreign or emerging disease threats through vaccine development, prevention, early detection and recovery. (*Feedstuffs*)

> US - ANTIMICROBIAL RESISTANCE MONITORING The FDA released its "2012-13 National Antimicrobial Resistance Monitoring System (NARMS) Integrated Report." FDA said this report replaces its annual "NARMS Executive Summary" report and highlights antimicrobial resistance patterns in bacteria isolated from humans, retail meats and animals at slaughter. The full NARMS Integrated Report can be found at

<http://www.fda.gov/downloads/AnimalVeterinary/SafetyHealth/AntimicrobialResistance/NationalAntimicrobialResistanceMonitoringSystem/UCM453398.pdf> (*Feedstuffs*)

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**2015 KC Animal Health Corridor Homecoming Dinner  
Monday, August 31, 2015  
Kansas City Convention Center**

Connect with nearly 900 animal health industry professionals and join the Corridor in honoring this year's Iron Paw Award recipient, Dr. Ralph Richardson. Hear from Dayton Moore, General Manager of the Kansas City Royals, as he shares his strategy for building a winning team and a culture of success.

The event will be held on Monday, August 31 from 5 – 9 p.m. at the Kansas City Convention Center Grand Ballroom.

Visit <http://www.eventbrite.com/e/kc-animal-health-corridor-homecoming-dinner-2015-tickets-16992385683> for registration.

Visit <http://kcanimalhealth.thinkkc.com/events/homecoming> for full event details.

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**BRAKKE CONSULTING VIEWPOINT**

Some of the stories this week reflect the cost of developing innovative technology for some of the new publicly traded animal health companies. The hurdles and costs associated with creating approved new animal health products is staggering and continues to inhibit innovation in animal

health. This is not just a problem for new companies, but also a problem for those established animal health companies that continue to invest in innovative research. We applaud those companies that are making the research investments to create new technologies and products for the care of companion animals and the production of safe animal protein. Without new products entering the marketplace, the industry is likely to migrate into a competitive generic environment.

We enjoyed the opportunity earlier this week to participate in the 2015 Pet Healthcare Industry Summit organized and sponsored by Banfield Pet Hospital. Thanks and congratulations to Banfield management team in creating, organizing and implementing another very successful industry event.

Have a great weekend!!

*Ron Brakke*

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