

## CONTINUED SALES GROWTH IN THE SECOND QUARTER OF 2010

July 20, 2010 (Lure, France) – Vétoquinol recorded strong sales growth (+15.1%) in the first six months of 2010, driven mainly by an increase in organic growth. Revenues increased in all of the geographical regions served by the Group, and in all of its strategic therapeutic segments.

<i>In thousands of euros</i>	1 <sup>st</sup> half 2010	1 <sup>st</sup> half 2009	Change
First half revenues	<b>137,995</b>	119,881	+15.1%
First half revenues <i>At constant exchange rates</i>	<b>133,026</b>	119,881	+11.0%
First half revenues <i>At constant exchange rates and scope</i>	<b>127,197</b>	119,881	+6.1%

### Strong performance

Vétoquinol's revenues in the 1<sup>st</sup> half of 2010 totalled EUR 138.0 million, an increase of 15.1% over the same period in the preceding year. With exchange rates held constant, the growth in revenues came to 11.0%. Thus exchanges rates had a positive effect, increasing revenues by 4.1%, due mainly to the depreciation of the euro. Organic growth for the period came to 6.1%, out-performing the objectives of our economic model for the medium term.

### Continued growth in the 2<sup>nd</sup> quarter

The 2<sup>nd</sup> quarter of 2010 saw a strengthening of the trends observed in the 1<sup>st</sup> quarter. Organic growth increased by 6.8%, compared with 5.4% in the 1<sup>st</sup> quarter of 2010. Organic growth in the Group's three strategic therapeutic segments – anti-infectives, pain/inflammation and cardiology/nephrology – totalled 8.3% in the 1<sup>st</sup> half of 2010, with strong growth in sales of Surolan<sup>®</sup> and Rubenal<sup>®</sup>.

In geographical terms, growth was driven by:

- strong sales increases in our newer regions: Asia/Pacific and the Americas;
- a large contribution from Italy, marking the successful integration of our acquisition there; and
- the steady progression in India.

The high level of revenues was the direct result of the efforts that we have made to strengthen marketing and sales.

## Vétoquinol reaffirms its ambitions for external growth

"The strong performance recorded in the 1<sup>st</sup> half of 2010 confirms the value of our focused strategy," stated Matthieu Frechin, CEO of Vétoquinol. "Thanks to our very low debt, the Vétoquinol Group is able to mobilise more than EUR 200 million in pursuit of external growth. In particular, Vétoquinol will closely monitor sales of product lines resulting from the merger of Merial with Intervet/Schering-Plough, looking for acquisition targets related to our strategic species."

### About Vétoquinol

Vétoquinol is an independent veterinary pharmaceutical laboratory serving both the companion and production animal markets. This family-owned group, dedicated exclusively to animal health, is the 10<sup>th</sup> largest animal healthcare laboratory in the world. More than 80% of its revenues are generated outside France.

Vétoquinol's business includes research and development, production and marketing of medicinal and non-medicinal products. Vétoquinol has positioned itself in the curative sector and has developed expertise in three therapeutic fields: anti-infectives, pain/inflammation and cardiology/nephrology.

The Group currently distributes its products in more than one hundred countries throughout Europe, North America and Asia/Pacific, with subsidiaries in 23 countries and a network of 140 distribution partners. The company has more than 1,550 employees worldwide.

For more information: [www.vetoquinol.com](http://www.vetoquinol.com).

## OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.

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## ANNEX

Revenues, in thousands of euros	2010	2009	Change	Change with exchange rates held constant	Change with exchange rates and scope of business held constant
1 <sup>st</sup> quarter	64,478	57,110	+12.9%	+10.4%	+5.4%
2 <sup>nd</sup> quarter	73,517	62,771	+17.1%	+11.5%	+6.8%
<b>Total for the first half</b>	<b>137,995</b>	<b>119,881</b>	<b>+15.1%</b>	<b>+11.0%</b>	<b>+6.1%</b>