



## VÉTOQUINOL CONTINUES TO DEVELOP ITS PRODUCT RANGES AND ENTERS THE BRAZILIAN MARKET

Lure (France), August 30, 2011 – The Vetoquinol Board Meeting of August 29, 2011 reviewed the Group's business and approved the financial statements for the first half 2011.

<i>In millions of euros</i>	<b>1<sup>st</sup> half 2011</b>	1 <sup>st</sup> half 2010	<b>Change</b>
Net sales	<b>139.7</b>	138.0	+1.2%
<i>at constant exchange rates</i>			+1.3%
EBIT	<b>17.4</b>	15.9	+9.1%
<i>as a % of net sales</i>	<b>12.5%</b>	11.6%	
Net income (group share)	<b>12.1</b>	11.6	+4.1%

### A BUSY FIRST SEMESTER FOR VETOQUINOL

Vétoquinol first half 2011 net sales rose 1.2% over the same period in the previous year to €139.7 million, a rise of 1.3% on constant foreign exchange. Excluding Marbocyl<sup>®</sup>, net sales grew by 3.0%.

The Group grew its business in spite of an unfavorable base effect in the first half, and in spite of Marbocyl<sup>®</sup> generics coming to market as expected. The growth reflected Vétoquinol's ability to defend its products and to renew its product ranges, while expanding sales globally.

#### **Product news: Cimalgex<sup>®</sup> and Azodyl<sup>™</sup>**

In June Vétoquinol launched Cimalgex<sup>®</sup> in Europe, to treat pain and inflammation for dogs. This launch lies at the heart of the Group's strategic focus, and meets a real need in canine healthcare. Initial sales have been thus far rather encouraging.

Also, in August, The Group signed a 20 year extension to the exclusive global distribution agreement for Azodyl<sup>™</sup>, a product indicated for the treatment of renal insufficiency in dogs and cats.

#### **Vetoquinol enters the Brazilian market**

In June 2011, Vétoquinol finalized the acquisition of Farmagricola SA in the State of Sao Paulo in Brazil, a company generating revenues of 18 million reals in 2010 or some €7.7 million. This acquisition establishes a foothold for Vetoquinol in the world's second-largest animal health market.

## **SOUND EXPENSE MANAGEMENT**

Ebit rose to €17.4 million (12.5% of net sales), an increase of 9.1% over the same period previous year. This evolution reflects the sound expense management carried out by the company (R&D, sales and marketing,...). The reported EBIT also takes into account a €5 million income outcome of the settlement of a commercial dispute as well as the launch costs of new products, and expenses related to acquisitions.

Better remuneration of the Group's treasury and the redemption of the convertible bonds in February 2011 reduced the interest expense to €0.3 million from €1.5 million at end June 2010.

Group net income rose 4.1% to €12.1 million, reflecting sound financial management at Group level.

## **SOLID FINANCIAL STRUCTURE**

The Vétoquinol Group, after the acquisition in Brazil, reports a net positive cash position of €3.8 million. Given the +€18.3 million increase in shareholders' equity, the debt to equity ratio stood at -1.9% on June 30, 2011.

Vétoquinol enjoys a solid financial structure enabling it to pursue its strategy of hybrid development, combining new products and growth through acquisition.

## **RENEWED CONFIDENCE IN VÉTOQUINOL'S CAPACITY FOR GROWTH**

*"Vétoquinol has confirmed its capacity to develop its product ranges and to expand its geographical scope by moving into new growth territories,"* declared Vétoquinol CEO Matthieu Frechin. *"All our teams are mobilized for the successful launches of our new products, which are the vectors of our future growth."*

### **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 24 countries and a network of 140 distribution partners. The company has more than 1,700 employees worldwide.*

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

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

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