

ALL KEY FINANCIAL INDICATORS UP IN 2016
REFERENCE PRODUCTS UP **5.5%** LIKE-FOR-LIKE
NET INCOME - GROUP SHARE UP **15.2%** TO €27.8 MILLION

At its meeting on March 22, 2017, the Vetoquinol S.A. Board of Directors reviewed the Group results and approved the 2016 financial statements.

EBIT reached €42,1M, up 7.6%; net income Group share came to €27.8M up 15.2%.

The Vetoquinol Group posted sales of €350.4 million for 2016, up 4.3% like-for-like. After a negative currency impact of 2.0% mainly linked to the British pound, Canadian dollar and Indian rupee, reported growth amounted to 2.3%.

Sales of reference products amounted to €170.9 million, up 3.6% as reported and up 5.5% like-for-like. Reference products accounted for 48.8% of 2016 full-year sales, up from 48.1% in 2015.

2016 KEY FIGURES

Sales
€350.4 million
(up 4.3% like-for-like)

EBIT
€42.1 million (up 7.6%)

EBITDA
€56.1 million (up 10.2%)

Reported sales of companion animal products rose 7.2%, while like-for-like growth came to 9.1%. Livestock sales fell 3.2% (down 1.1% like-for-like), mainly due to measures aimed at restricting the use of antibiotics in the animal health sector.

Growth was driven by strong performances in the Americas and Asia Pacific, which posted respective like-for-like growth rates of 9.2% and 12.7%. Sales in Europe fell 1.0% like-for-like in 2016, with new product launches failing to fully offset the decline in sales of antibiotics.

EBIT rose by 7.6% from €39.1 million in 2015 to €42.1 million or 12.0% of sales. This improvement was due to an increase of over 2 percentage points in the margin on purchases consumed and the positive trend in the product mix related to growth in sales of reference products. After non-recurring expenses of €2 million related to the transfer

of operations from two North American locations to a third location and the closure of a plant in Australia, operating income came to €40.0 million. Meanwhile, Vetoquinol continued to invest in R&D, marketing and the expansion of its sales force, particularly in the USA.

The drop from net financial income of €2.2 million in 2015 to a €0.2 million net financial expense in 2016 is mainly attributable to other financial income and expenses, primarily due to the negative currency impact recorded for the year.

Net income Group share came to €27.8 million, up 15.2%, while EBITDA amounted to €56.1 million, up 10.2% versus 2015.

As of December 31, 2016, Vetoquinol held net cash of €78.1 million, up €25.3 million from the previous year-end.

In view of the excellent performance achieved in 2016, the Board of Directors will propose a dividend of €0.43 per share, up 4.9%, to the next shareholders' general meeting on May 30, 2017.

Vetoquinol CEO Matthieu Frechin said: *"In a growing world animal health market, we turned in an excellent performance for 2016 that vindicates our strategy of focusing on reference products and optimizing production facilities. We continue to invest in R&D, marketing and sales in order to step up growth and improve profitability. Backed by a strong financial structure, we are targeting significant acquisitions"*.

Vetoquinol has confirmed its eligibility for the French PEA-PME personal equity plan, in accordance with Decree no. 2014-283 of March 4, 2014 implementing Article 70 of the 2014 Finance Act no. 2013-1278 of December 29, 2013, which established the conditions for companies' eligibility for the plan.

Next update: Q1 2017 sales, April 13, 2017 after market close

About Vetoquinol

Vetoquinol is a leading global player in the animal health sector serving both the livestock (cattle and pigs) and pet (dogs and cats) markets.

As an independent pure player, Vetoquinol designs, develops and sells veterinary drugs and non-medicinal products in Europe, the Americas and the Asia/Pacific region.

Since its foundation in 1933, Vetoquinol has pursued a strategy combining innovation with geographical diversification. The Group's hybrid growth is driven by the reinforcement of its product portfolio coupled with acquisitions in high potential growth markets. Vetoquinol employs 2,084 people.

Vetoquinol has been listed on NYSE Euronext Paris since 2006 (symbol: VETO).



Ranked No. 1 SME (all caps) in the 2016 Gaia Index for its commitment to CSR

For further information, go to: www.vetoquinol.com.

For more information, contact:

VETOQUINOL

Investor Relations

Marie-Josée Aubry-Rota

Tel.: +33 (0)3 84 62 59 88

relations.investisseurs@vetoquinol.com

KEIMA COMMUNICATION

Investor and Media Relations

Emmanuel Dovernegne

Tel.: +33 (0)1 56 43 44 63

emmanuel.dovernegne@keima.fr

Appendix

Summary income statement

€m	2016	2015	Change
Total sales	350.4	342.6	+2.3%
<i>of which reference products</i>	<i>170.9</i>	<i>164.9</i>	<i>+3.6%</i>
EBIT	42.1	39.1	+7.6%
<i>% of total sales</i>	<i>12.0%</i>	<i>11.4%</i>	
Net income - Group share	27.8	24.2	+15.2%
<i>% of total sales</i>	<i>7.9%</i>	<i>7.1%</i>	
EBITDA	56.1	50.9	+10.2%
<i>% of total sales</i>	<i>16.0%</i>	<i>14.9%</i>	

Calculation of EBITDA

€m	2016	2015
Net income excl. earnings of associates	27.9	24.2
Income tax expense	11.8	12.3
Net financial income/(expense)	0.2	(2.2)
Provisions recorded under non-recurring operating income and expenses	1.7	4.7
Provisions and write-backs	1.0	(1.6)
Depreciation and amortization	13.5	13.6
EBITDA	56.1	50.9