

SALES GROWTH OF 11.5% IN 2012

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Virbac consolidated sales in the fourth quarter amounted to 166.4 M€, a +12.8% change compared to the same period of 2011. Growth reached +7.9% at constant perimeter and exchange rates. Trends in the different markets outside Europe have been quite similar to the previous quarter, with growth staying very strong in the US and remaining at a good level in Latin America and Asia. Business evolution in Europe has been more moderate and contrasted, with a slight reduction in Northern Europe in sluggish markets, while sales in France benefited from a good rebound after the decrease in the third quarter due to the new commercial policy aiming at a better split, over time, of deliveries to the wholesalers.

Sales of Centrovet, leader of the market in Chile in which Virbac acquired a majority stake last November, have been consolidated as from December and amounted to 4.3 M€.

With total 2012 sales of 694.8 M€ compared to 623.1 M€ last year, Virbac records a +11.5% total growth. This very good performance has been primarily generated through organic growth, which reached +8.1%. It has been increased, on one side, by a significant exchange rate impact -around 2.7 points- due to the weakening of the Euro, and on the other side by external growth, with the impact of acquisitions -Stockguard in New Zealand and Centrovet in Chile- amounting to 8.7 M€ and more than compensating for the divestment of Virbac's business in specialized channels in Europe.

From a regional perspective, the Group's performance comes from:

- the very high level of growth in the US, primarily driven by Iverhart, which also benefited from the temporary closure of a competitor's manufacturing site. The launch of new products, in particular in dermatology, and the expansion of all ranges (dentals, endocrinology, parasiticides) also contributed to the growth.

- the very positive performance recorded in Southern Europe despite the economic environment, thanks to the launch of CaniLeish, a canine leishmaniosis vaccine;

- the strong development in emerging markets as well as in Japan.

Conversely, business has been weak in France and in Northern Europe due to low market trends, as well as in Australia and South Africa after a strong growth in 2011.

2012 NET SALES
Estimate

694.8 M€

TOTAL GROWTH

+11.5%

GROWTH AT CONSTANT
EXCHANGE RATES

+8.8%

GROWTH AT CONSTANT
SCOPE

+8.1%

Of which:

COMPANION ANIMALS

+10.1%

FOOD PRODUCING
ANIMALS

+5.5%

Business by species reflect such geographic trends. At constant exchange rates and perimeter the companion animals segment enjoyed a strong growth, + 10.1%, driven primarily by sales of Iverhart in the US, CaniLeish in Southern Europe and more generally by a good evolution of the other product ranges. Sales in the food producing animals segment increased by +5.5%, with a strong growth in emerging countries, in particular Brazil and India; meanwhile, such increase has been partially offset by a slight decrease in certain regions: in Europe due to a poor market environment; in Australia, where the level of activity had been very high in 2011 and competition is increasing in the major segment of parasiticides; in South Africa due to less favourable weather conditions.

Consolidated numbers <i>Unaudited - in million Euros</i>	2012	2011	% change	Evolution at constant exchange rates	Evolution at constant scope and exchange rates
Net sales - 1st quarter	176.4	159.9	+10.3%	+8.8%	+8.6%
Net sales - 2nd quarter	173.0	154.6	+11.9%	+9.1%	+9.8%
Net sales - 3d quarter	179.0	161.0	+11.2%	+6.8%	+6.1%
Net sales - 4th quarter	166.4	147.5	+12.8%	+10.7%	+7.9%
Net sales - year-to-date	694.8	623.1	+11.5%	+8.8%	+8.1%