



2008 REVENUE: €234.4 M

Revenue grew in 2008, despite poor economic conditions in the second half and an unfavourable comparison effect

January 22, 2009 – (Lure, France) – Vétoquinol's revenues in 2008 totalled €234.4 M, an increase of 0.4% compared to the previous year, or 2.9% with exchange rates held constant.

Revenue growth was less than initially forecast, due to a decline in the fourth quarter compared to the same period in the previous year. Growth was still significant given the current economic climate, especially considering that the group's growth in 2007 (+10.3%) was well above the market, which penalises the comparison of 2008 with the previous year.

This slowdown in growth was an isolated phenomenon. The decline in sales in the fourth quarter was limited to four countries: France, Poland, Canada and Spain. In France and Canada, it was attributable mainly to a change in the ordering policy of certain wholesalers, who trimmed their inventories in response to the current economic climate. In Spain and Poland, the decline was mainly due to the crisis in the pig market and to local economic conditions.

Revenue of the group continued to grow in other countries, although the growth was slower than the exceptionally high levels recorded in 2007. Performance was strong in countries where the group made recent acquisitions. Revenue in the United States grew by 8% in local currency, exceeding growth in the market. Revenues were also strong in Portugal, Scandinavia, and in Italy, where Vétoquinol recently expanded its presence with the acquisition of Ascor Chimici in December 2008.

Overall, only October and November revenues were affected. Group revenue has risen since then, in actual terms but also with exchange rates and scope of business held constant.

Although the economic crisis is expected to deepen in 2009, the animal health industry should hold up well and continue to grow, although at a slower pace than in 2007. In this difficult economic climate, Vétoquinol will seek to expand its market shares and to grow more rapidly than the industry on its specific markets.

Finalising an acquisition in China

Pursuing its strategy of broadening its geographic coverage in expanding markets, Vétoquinol signed an agreement in December for the transfer of the animal health activities of a Chinese nutrition group. The formalities of recording the transaction and the transfer of assets are currently being finalised.

Financing for external growth

In January 2009, Vétoquinol signed a credit agreement with two banks for a medium-term loan of €25 M that will be used to finance external growth. This transaction will leave the group's gearing ratio below 15%, after the disbursement for the Chinese acquisition, giving Vétoquinol ample room to finance new transactions.

About Vétoquinol

Vétoquinol is an independent veterinary pharmaceutical laboratory serving both the companion animal and livestock markets. This family-owned group specialized exclusively in animal health is the 11th largest laboratory in the world, and nearly 80% of Vétoquinol's revenues come from outside France.

Vétoquinol engages in the research and development, production and marketing of medical and dietary products. Vétoquinol has positioned itself in the curative sector, and has developed expertise in three therapeutic fields: anti-infectives, pain management and anti-inflammatories, and cardiology and nephrology.

The Group currently distributes its products in one hundred countries throughout Europe, North America and Asia, with subsidiaries in 22 different countries and a network of 110 distributor partners. The Company has more than 1,400 employees worldwide.

More information: www.vetoquinol.com.

OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.

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Annex

2008 Revenue

Consolidated revenue, in €M	2008	2007	Change
1 st quarter	54.7	53.2	+3.0%
2 nd quarter	62.0	57.9	+6.9%
3 rd quarter	54.5	54.9	-0.8%
4 th quarter	63.2	67.4	-6.1%
Total for the year	234.4	233.4	+0.4%
Change with exchange rates held constant			+2.9%
Change with exchange rates and scope of business held constant			+1.4%

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