Press release – March 25, 2009

INTERNATIONAL ACTIVITIES MAKE STRONG IMPACT

Vannes (France), 25 March 2009 – The Board of Directors of the Evialis Group convened on 25 March 2009 to examine the Group's business and accounts for the first half-year 2008-2009.

€m, IFRS *31 December (6 months)*	**2008/2009**	**2007/2008**	**Change**
Revenue	**583.7**	408.5	+42.9%
Gross margin	**145.2**	107.7	+34.8%
Gross operating profit	**18.7**	12.6	+47.9%
Current operating profit	**9.1**	6.7	+35.5%
Net profit	**(4.1)**	3.2	n/a

**The Group henceforth closes its accounts at 30 June to be in line with the accounting calendar of its majority shareholder InVivo*.

Revenue: seeing the results of international expansion

Revenue for the first half-year 2008/2009 amounted to €583.7 M, an increase of 43% compared with the second half-year 2007: it translates the transfer of raw material price rises and moreover, the contribution made from the external acquisitions made over the second quarter 2008 in the Nutrition International division. On a like-for-like basis, revenue increased by €456.7 M, an increase of 11.8%.

The contribution to revenue made by acquisitions amounts to €133.7 M: BernAqua in Belgium and Zoofort in Brazil acquired during the 4th quarter 2007, as well as MaltaCleyton in Mexico which has been consolidated since the 2nd quarter 2008 and Cargill's Brazilian business which has been consolidated since 1st June 2008 enhance the revenue contribution from the International Feed division.

The group has gained strength and is taking shape through these operations: over the first half-year the international activities accounted for 43% of the Group's business.

Increase in Gross Margin thanks to International and Premix

Gross margin came to €145.2 M, an increase of 34.8% and €113.4 M on a like-for-like basis. The increase in margin came firstly from the international area which was less affected by the economic slowdown and secondly from the Premix activity which resisted well thanks to its product-mix and buying policy. On the downside, compound feed in France was penalized by the sudden fall in raw material prices and the reduction in outlets for milk and meat which brought about a tightening of unit margins and a reduction in volumes sold, respectively. This fall-off in volumes came at a time when sales had been rising due to the increased demand for feed for dairy cows.

Increase in Gross operating profit at €18.7 M

With an increase of 48%, which is proportionately higher than the gross margin, this performance demonstrates the Group's capacity to manage its operating costs and generate cash in an unstable and volatile environment. On a like-for-like basis, Gross operating profit rose by 9% to €13.8 M.

Current operating profit affected by the cost of commercial risk

Current operating profit came out at €9.1 M, an increase of 36% and at €6.4 M on a like-off by for-like basis, a slight drop-off of 5%. This contrasted performance includes the following elements:

- Higher amortization costs linked to the increase in the scope of consolidation and our investments to develop business in the Health division in France, Premix in Romania and Nutrition in Brazil and Vietnam.
- An increase in provisions for unpaid amounts in accordance with the depreciation rules the Group has put in place.

Unfavorable non-recurring elements

Operating profit for the first half-year 2008/2009 amounted to €6 M vs. €4.8 M for the first half-year 2007/2008. « Other non-current operating income and expense » includes, notably:

- Depreciation of intangible assets in France and Italy linked to the slowdown seen in their activity. This expense represents €2 M.
- Exceptional restructuring expense (€1 M)

Net financial costs damaged by borrowings and exchange losses

Net financial costs amount to more than €10 M. This amount reflects essentially the cost of borrowings in line with the Group's expansion policy and working capital needs which are still high in value terms but well managed in number of days over revenue.
With the depreciation of most emerging countries currencies due to the financial crisis, net financial costs have suffered from significant exchange losses, in Mexico and Brazil mainly, where the Real and Peso have depreciated compared with the positions held in US dollars or Euros. The carrying amount, which is partly latent, comes to €4.4 M.

Net profit is negative on the bottom line (€4.1 M) after a tax gain of €0.7 M.

Balance sheet marked by indebtedness and negative translation reserves

Working capital needs and cash management are two factors at the heart of the company management's priorities. In value terms, working capital needs are stable compared with 30 June at €80.3 M with an unfavorable impact from changes to the scope of consolidation (addition of Cargill's Brazilian business, representing €5 M of working capital needs). The fall in raw material prices and its transfer onto sales prices is progressively generating a reduction in capital employed.
Moreover, the financing of the strategic external growth operations carried out over 2008 in Mexico and Brazil concerning significantly-sized companies, as well as industrial investments of €11 M over the period worsened net debt, which totaled €145 M.
The Group has unutilized available bank facilities for €45 M, which allow it to assure its continuing development.

Moreover, the devaluation of most emerging country currencies compared with the Euro has led to notable impacts on the balance sheet, reflected in the consolidated accounts by the translation differences which reduced net worth by €10 M. Net worth therefore comes out at € 77.3 M for the Group and at €90 M including minority interests.

Business outlook

The difficult market conditions which have been affected by the price of raw materials and consumption, bring two key factors of our business to light:

- The world nutrition market is still growing, with a strong contrast between the mature zones on one side and the emerging countries on the other, whose growth is less rapid due to the reduction in exports. For the Group's businesses to survive over the long-term, the rebalancing of the portfolio that has started over the past few months will need to be pursued.
- The prices of raw materials have massively fallen since the summits reached during the summer of 2008, but the horizon remains uncertain, which brings strong volatility to the market. This calls for great caution with regard to position-taking. The traditional risks linked to the climate are henceforth doubled by the uncertainty of demand and the return of certain speculative funds.

As for the future of our business, the strategic plan remains unchanged: bring together the Animal Health–Nutrition activities of InVivo and Evialis to constitute a new group built around three businesses, Compound feed, Premix-specialties and Animal health, and to play a major role, worldwide, in this sector.

The whole of the structural changes underway or to come are in line with and confirm the strategic orientations of the Group's project, which is based on:

- **innovation**, allowing us to provide our customers with optimal nutritional and economic solutions,
- **internationalization** through organic growth or external acquisitions, to focus on the growth areas where markets are in strong progression,
- **optimization** of the French factories for lasting viability and profit in a sophisticated and demanding market.

Press release

Takeover bid by Financière Evialis

La Financière Evialis decided to withdraw the company Evialis from the Stock Exchange through the launching of a friendly takeover bid based on €29 per share. This project was approved by the Board of Evialis on 25 March 2009. After analysis of the proposal by the French Financial Market Control Authority (AMF), the offer should be made available in April. If the threshold of 95% is reached, a squeeze-out operation will take place.

Date for your diary : 6 May 2009, Revenue for 3rd quarter 2008-2009

About Evialis:
EVIALIS, international animal health and nutrition specialist, is quoted on Euronext, section C at the Paris Stock Exchange. The EVIALIS Group provides livestock farmers and feed producers with a range of animal health and nutrition products, operating in three areas:

- → *Compound feed for livestock and pets,*
- → *Premix and specialized products and expert advice to industrial food producers and on-farm mixers,*
- → *Animal health dietary and hygiene products.*

With an industrial presence in 17 countries with than 70 plants over the world, EVIALIS sells its products and services in 50 different countries.

For further information: www.evialis.com.

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