



New increase of profitability in 2008

Consolidated numbers (in million Euros)	2008	2007	Change 2008/2007
Net Sales	443.4	438.5	+ 1.1 %
<i>Growth at constant exchange rates</i>			+ 5.9 %
<i>Pro-forma growth at constant exchange rates</i>			+5.8 %
Operating profit from ordinary activities	54.5	51.7	+ 5.5 %
As a % of net sales	12.3 %	11.8 %	
Operating profit after non recurring expenses	54.4	51.7	+ 5.4 %
Net profit – Group share	35.4	31.0	+ 14.1 %

In a market environment which remained favorable even though its development went through a certain slowdown at year-end, Virbac has recorded a new year of solid growth excluding foreign exchange impacts, thus confirming the relevance of its business model based on innovation, closeness to customers and international expansion. Both segments, companion animals and food producing animals, delivered quite similar evolutions with organic growth at constant exchange rates reaching 6.9% and 5.6% respectively.

Besides, the acquisitions closed in 2008 (Pharmalett in Denmark and product ranges acquired from Schering-Plough in Europe) have been integrated successfully and will contribute to reinforcing the Group's positions in food producing animals in Europe.

The strong increase of the Euro has offset most of the real revenue growth and has also strongly impacted the operating profit : on the one hand via the conversion into Euros of foreign affiliates' profits, on the other hand by impacting the profitability of markets outside the Euro zone - such as the UK - selling products manufactured in the Euro zone. These downsides, evaluated at 7 million Euros, were however more than offset by the growth margin improvement, a good control of operating expenses, the positive contribution of acquisitions and the increase of the Research tax credit in France. As a result, the profitability ratio further improved by 0.5 point, in line with the prospects announced by the Group.

The net profit rose even more strongly, +14.1%, due to a decrease of tax burdens in several large countries and in addition, to some non recurring items amounting to around 0.9 millions.

Regarding the balance sheet, the Group's net debt increased moderately following the 2008 acquisitions and amounts to less than 67 million Euros, or 34% of equity.

It will be proposed at the next annual shareholders' meeting to increase the dividend to 1.20 euro per share, up from 1.10 euro last year.

2009 outlook

The animal health market is becoming more uncertain because of the global economic environment, and its growth might go through a period of slowdown. Virbac is benefiting nevertheless from several assets to keep growing in 2009 in terms of revenues and earnings : the ramp-up of numerous products recently launched, new launches coming in 2009 and the full-year impact of 2008 acquisitions.

VIRBAC : passionate about Animal Health

NYSE Euronext - Compartiment B / Code ISIN : FR0000031577 / MNEMO : VIRP
 Corporate Finance : tél. 33 4 92 08 71 32 - e-mail : finances@virbac.com
 website : www.virbac.com