



Stable profitability in the first half, excluding exceptional items

Consolidated numbers (in million Euros)	First half 2009	First half 2008	Change 2009/2008
Net Sales	225.5	211.8	+ 6.4%
<i>Growth at constant exchange rates</i>			<i>+ 6.6%</i>
<i>Pro-forma growth at constant exchange rates</i>			<i>+ 3.1%</i>
Operating profit from ordinary activities	24.8	26.0	- 4.7%
As a % of net sales	<i>11.0%</i>	<i>12.3%</i>	
Operating profit after non recurring expenses	24.8	25.9	- 4.4%
Profit before tax	23.2	24.1	-3.4%
Net profit –Group share	15.5	16.2	-4.3%

Net sales have grown by 6.4% during the first half. The companion animals segment benefited from the launch of new products in Europe and enjoyed a positive evolution of Virbac sales in the veterinary channel in the United States and a good growth in the main countries of Asia and Latin America. Regarding food producing animals, the strong growth in emerging countries have offset the slow-down of certain markets (France, Australia), and the acquisitions made during 2008 in Europe have brought, as expected, a very positive contribution to the growth.

The operating profit from ordinary activities is declining by 4.7%, which evolution is essentially due to one-off exceptional items :

- in 2008 exceptional profits amounting to 1 M€ were recorded following the sale of a building and the positive output of a former litigation ;
- in 2009 the Group has implemented a restructuring plan for its manufacturing operations in the US and in Denmark, generating a global cost of 1.9 M€. These restructurings will translate into operating savings as from the second half of 2009.

Excluding these one-time events, the operating profit would have increased in line with sales thanks to margin stability and a good control of expenses which allowed absorbing the ongoing effort in R&D and the cost of the european launch of Effipro, introduced on the markets end of June.

Net financial expenses and tax are decreasing and the Net profit - share of the Group amounts to 15.5 M€, a 4.3% decrease.

On the financial side, the good generation of cash flow and the control of working capital have allowed limiting the seasonal increase of net debt to a much lower level than in previous years.

Full year outlook

The growth and profitability of the first half, given the points described above, are in line with the perspectives announced by the Group of a 5% to 8% sales growth excluding exchange rates impacts, coupled with a similar increase in profits.

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