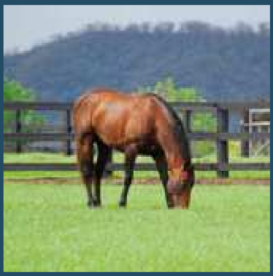
HALF YEARLY FINANCIAL REPORT
Ended June, 30 2011




CONTENTS

I. HALF YEARLY MANAGEMENT REPORT AS OF JUNE 30, 2011

1. KEY EVENTS OF FIRST SEMESTER

On 31 January 2011, Virbac has acquired the veterinary assets of the Synthesis company in Colombia for 9.6 million American dollars. This acquisition enables Virbac Colombia to double its size by providing additional revenue of about five million American dollars composed of 60% of bovine products (mainly antibiotics and nutritional supplements) and 40% of companion animal products (specialties). This operation is accompanied by the addition of the Synthesis teams and it reinforces Virbac's commercial presence on the fourth Latin American market. This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The price allocation is presented in note A1.

On 28 February 2011, Virbac acquired the rights for Multimin (injectable supplements containing minerals for food producing animals) for South Africa and neighbouring countries, from the Animalia company. After distributing this product range for many years, Virbac secures its position on this major market segment for the South African subsidiary that has enjoyed years of steady growth and still offers a significant growth prospective. This is an acquisition of intangible assets under IAS 38 and is recorded as such in these financial statements.

Following submission of the registration dossier with the European Medicines Agency (EMA) in early 2010, the CVMP, Committee for Medicinal Products for Veterinary Use of the EMA, issued a favourable opinion on 13 January 2011 for CaniLeish®, the first vaccine against canine leishmaniosis in Europe. On 14 March, the European Commission confirmed this opinion by awarding Virbac a European registration for this vaccine. CaniLeish® was launched in late May 2011 in the Portuguese market.

On 4th May, Virbac acquired the Australian company Peptech, with which it signed a distribution contract for the contraceptive implant for dogs Suprelorin in 2007. This acquisition reinforces the Group’s rights to this product, not only in Europe where it is already distributed, but also across the world where it is to be developed, especially in the United States. This takeover also gives Virbac another product aimed at horses, Ovuplant, currently distributed by a third party in the United Kingdom and the United States. Finally, it means access to original proprietary technologies for solid and liquid implants. The 2011 sales forecasts for the Suprelorin implant amounts to €5 million for Europe and Australia alone. The purchase price of 100% of the shares Peptech is 9.1 million Australian dollars. This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The price allocation is presented in note A1.

2. SIGNIFICANT EVENTS AFTER THE CLOSING DATE

The supplementary budget of social security for 2011, which established a profit sharing bonus (Article 1), was published in the Official Gazette (“Journal Officiel”) of July 29. This law has no impact on the accounts at June 30, 2011, to the extent that it was not enacted at that time.

Virbac signed August 9, 2011 a joint venture with a Taiwanese company specialized in the field of vaccines for pigs and aquaculture.

3. GENERAL OVERVIEW OF VIRBAC FINANCIAL SITUATION AND PROFITS

Consolidated number (in million Euros)	First half 2011	First half 2010	Change 2011 / 2010
Revenue from ordinary activities	**314,5**	**284,1**	**10,7%**
Growth at constant exchange rates			10,5%
Pro-forma growth at constant exchange rates			9,3%
Current operating result	**49,6**	**41,7**	**19,0%**
As a % of revenue	15,8%	14,7%	
Operating result	**49,6**	**52,2**	**-4,9%**
Net profit – Group share	**32,6**	**38,0**	**-14,3%**

The consolidated turnover of Virbac in the first half 2011 amounted to € 314.5 million against € 284.1 million in 2010. The evolution of the activity is very positive with an overall growth of 10.7%, including 9.2% at constant scope and exchange, despite the very high level of sales in the first half of 2010 which had already experienced an organic growth of 14.4% driven by the companion animal business in Europe and the United States.

Current operating income amounted to € 49.6 million up 19.0% over the previous year due to business growth, improved gross margin rate and a good control of operating expenses. Operating profit after non-recurring items was down 4.9% due to the recognition in the first half of 2010 of an exceptional profit of 11.5 million euros corresponding to the difference between the acquisition cost of the Pfizer assets in Australia and the fair value of net assets acquired. Financial expenses remain unchanged from the first half of 2010 and amounted to € 1.1 million. Net income - Group share amounted to € 32.6 million down 14.3%.

Financial position :

The Group's net debt amounted to € 65.2 million against € 3.1 million at December 31, 2010, an increase of 62.1 M€. This increase is mainly due to the increased need for working capital generated by the increase of activity, payment of 2010 annual financial discounts in the early half of 2011, acquisitions made earlier this year as well as industrial investments on the site of Carros.

Full year outlook :

The good performance recorded in the first half opens up the perspective of an organic growth exceeding the 5 to 7% estimate announced earlier this year and confirms the potential for improvement of the operating profitability.

4. TURNOVER BREAKDOWS

Per Activity

Consolidated number (in millions Euros)	First half 2011	First half 2010	Change (at constant rate)	Change (at constant rate and scope)
Companion Animals	184,1	170,5	8,0%	8,0%
Food Producing Animals	126,2	107,4	17,5%	13,6%
Others Activities	4,211	6,189	-32,0%	-29,3%
TOTAL	**314,5**	**284,1**	**10,7%**	**9,3%**

- **Companion animals**

Organic growth was strong in this segment (8%) with the consolidation of the positions of major products, particularly Effipro and Fiproline in Europe and Iverhart in the United States, as well as the very positive evolution of ranges such as vaccines, dermatology, dental, antibiotics and specialties.

- **Food producing animals**

This segment shows in turn an increase of 13.6%, with a strong development of bovine products (15%) and good growth in the industrial sector (swine and poultry : 9.6%). This performance is still driven by emerging markets but the Group's business in Europe also contributed despite a market that remains largely unfavorable. In addition to this organic growth, the veterinary business of Synthesis in Colombia, acquired in early February this year, has been successfully integrated and is performing as expected, generating sales of € 1.6 million over 5 months.

- **Others activities**

These activities, which represent less than 2% of revenues for the six months continue to decline in 2011. They correspond to the markets of lesser strategic importance for the Group and mainly include contract manufacturing in the United States.

Per area

Area / M€	First half 2011	First half 2010	Change (%)	Change (at constant rate)
France	53,8	52,9	1,7%	1,7%
Europe excluding France	95,6	89,7	6,6%	5,9%
North America	44,3	44	0,7%	6,5%
Latin America	23,5	17,4	35,1%	34,2%
Africa - Middle East	17,7	14,7	20,4%	17,8%
Asia	38,1	33,3	14,4%	17,3%
Pacific	41,5	32,1	29,3%	19,5%
TOTAL	**314,5**	**284,1**	**10,7%**	**10,5%**

All regions recorded growth:
- Europe: the increase in sales is driven by strong growth in Germany, Spain and England. The Canileish vaccine was launched in Portugal end of May 2011.
- North America: Iverhart range continues to grow.
- Latin America: Brazil's strong growth and integration of the veterinary business of Synthesis.
- Asia Pacific: strong performance of India and Australia.

5. DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES FOR THE SIX COMING MONTHS

The risk factors to which the Group is exposed, are mentioned in the 2010 Annual report of Virbac, available on the website www.virbac.com. The nature of these risks has not changed significantly in the first half of 2011. These risks are likely to occur in the second half of 2011 or during subsequent years.

6. TRANSACTION WITH RELATED PARTY

Information on related parties is detailed in Note A35 of 2010 financial statements. No changes or significant impact have appeared in the first half of 2011.

II. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. HALF YEARLY CONSOLIDATED FINANCIAL STATEMENTS

1.1. Balance sheet (statement of financial position)

in € thousands	Notes	30/06/2011	31/12/2010
Goodwill	A1	87 384	86 413
Intangible assets	A2	98 686	84 994
Tangible assets	A3	113 344	101 611
Other financial assets		844	814
Investments accounted for by the equity method	A4	3 183	3 351
Deferred tax assets		4 280	3 934
Non-current assets		**307 721**	**281 117**
Inventories and work-in progress	A5	109 640	98 893
Trade receivables	A6	96 066	85 523
Other financial assets		362	1 081
Other receivables		25 956	27 141
Cash and cash equivalents		23 518	39 998
Assets classified as held for sale		-	-
Current asset		**255 542**	**252 636**
Assets		**563 263**	**533 753**
Share capital		10 893	10 893
Reserves attributable to the owners of the parent company		296 008	289 169
Capital and reserves attributable to the owners of the parent company		**306 901**	**300 062**
Non-controlling interests		2 299	2 292
Equity		**309 200**	**302 354**
Deferred tax liabilities		8 257	9 141
Provisions for employee benefits		7 544	6 850
Other provisions		2 506	2 012
Other financial liabilities	A7	58 403	32 512
Other payables		1 765	10 554
Non-current liabilities		**78 475**	**61 069**
Other provisions		593	479
Trade payables	A8	58 653	75 303
Other financial liabilities	A7	30 315	10 607
Other payables		86 027	83 941
Current liabilities		**175 588**	**170 330**
Liabilities		**563 263**	**533 753**

1.2. Income statement

in € thousands	Notes	30/06/2011	30/06/2010	Change
Revenue from ordinary activities	A9	**314 520**	**284 087**	***10,7%***
Purchases consumed		-97 455	-91 066	
External costs		-71 024	-63 704	
Personnel costs		-80 777	-72 137	
Taxes and duties		-6 949	-5 849	
Dépréciations and provisions		-9 761	-10 244	
Other operating income and expenses		1 085	633	
Current operating result		**49 639**	**41 720**	***19,0%***
Other non-current income and expenses	A10	-	10 499	
Operating result		**49 639**	**52 219**	***-4,9%***
Financial income and expenses	A11	-1 073	-1 037	
Result before tax		**48 566**	**51 182**	***-5,1%***
Income tax	A12	-15 557	-12 569	
Share from companies' result accounted for by the equity method		61	-179	
Result for the period		**33 070**	**38 434**	***-14,0%***
- attributable to the owners of the parent company		32 600	38 032	*-14,3%*
- attributable to the non-controling interests		470	402	*16,9%*
Result attributable to the owners of the parent company, per share	A13	3,76 €	4,38 €	*-14,3%*
Result attributable to the owners of the parent company, diluted per share	A13	3,76 €	4,38 €	*-14,3%*

1.3. Comprehensive income statement

in € thousands	30/06/2011	30/06/2010	Change
Result for the period	**33 070**	**38 434**	***-14,0%***
Change in asset revaluation reserve	-	-	
Actuarial gains and losses	-	-	
Conversion gains and losses	-12 513	20 652	
Gains and losses from revaluation of financial assets available for sale	-	-	
Effective portion of gains and losses on hedging instruments	-626	-946	
Other elements of comprehensive income (before tax)	**-13 139**	**19 706**	***-166,7%***
Tax on other elements of comprehensive income	216	326	
Share from other elements of the companies' comprehensive income using the equity accounting method	-	-	
Comprehensive income	**20 147**	**58 466**	***-65,5%***
- attributable to the owners of the parent company	19 735	57 999	*-66,0%*
- attributable to the non-controlling interests	412	467	*-11,8%*

1.4. Cash flow statement

in € thousands	30/06/2011	30/06/2010
Result for the period	**33 070**	**38 434**
Elimination of share from companies' result accounted for by the equity method	-61	179
Elimination of depreciation and provisions	10 514	11 565
Elimination of deferred tax change	-166	-1 562
Elimination of gains and losses on disposals	-18	-28
Other income and expenses with no cash impact	333	-10 194
Cash flow	**43 672**	**38 394**
Effect of net change inventories	-11 918	-13 712
Effect of net change in trade receivables	-12 494	-18 690
Effect of net change in trade payables	-9 278	12 486
Effect of net change in other receivables and payables	-16 681	1 439
Effect of change in working capital requirements	**-50 371**	**-18 477**
Net financial interests paid	1 201	724
Net cash flow generated by operating activities	**-5 498**	**20 641**
Acquisition of intangible assets	-5 370	-1 013
Acquisition of tangible assets	-18 611	-7 665
Disposal of intangible and tangible assets	178	230
Change in financial assets	-129	-56
Change in debts relative to acquisitions	734	-
Acquisitions of subsidiaries or activities	-29 964	-12 470
Disposals of subsidiaries or activities	-	-
Dividends received	-	-
Net flow allocated to investing activities	**-53 162**	**-20 974**
Dividends paid to the owners of the parent company	-	-
Dividends paid to the non-controlling interests	-263	-444
Change in treasury shares	-285	-430
Increase/decrease of capital	-	-
Debt issuance	33 993	8 292
Repayments of debt	-2 269	-2 137
Net financial interest paid	-1 201	-724
Net cash from financing activities	**29 975**	**4 557**
Change in cash position	**-28 685**	**4 224**

1.5. Statement of change in cash position

in € thousands	30/06/2011	30/06/2010
Cash and cash equivalents	39 998	14 069
Bank overdraft	-5 430	-9 675
Accrued interests not yet matured	-20	-35
Opening net cash position	**34 548**	**4 359**
Cash and cash equivalents	23 518	20 846
Bank overdraft	-18 952	-10 248
Accrued interests not yet matured	-58	-45
Closing net cash position	**4 508**	**10 553**
Impact of currency conversion adjustments	-1 355	1 970
Net change in cash position	**-28 685**	**4 224**

1.6. Statement of change in equity

in € thousands	Share capital	Share premiums	Reserves	Conversion reserves	Result for the period	Equity attributable to the owners of the parent company	Non-controlling interests	Equity
Equity at 31/12/2009	**10 893**	**6 534**	**188 697**	**-11 335**	**38 816**	**233 605**	**2 595**	**236 200**
2009 allocation of net income	-	-	38 816	-	-38 816	**-**	-	**-**
Distribution of dividends	-	-	-11 448	-	-	**-11 448**	-1 217	**-12 665**
Treasury shares	-	-	-451	-	-	**-451**	-	**-451**
Changes in scope	-	-	-	-	-	**-**	-	**-**
Others variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	9	14 934	63 413	**78 356**	914	**79 270**
Equity at 31/12/2010	**10 893**	**6 534**	**215 623**	**3 599**	**63 413**	**300 062**	**2 292**	**302 354**
2010 allocation of net income	-	-	63 413	-	-63 413	**-**	-	**-**
Distribution of dividends	-	-	-13 072	-	-	**-13 072**	-405	**-13 477**
Treasury shares	-	-	176	-	-	**176**	-	**176**
Changes in scope	-	-	-	-	-	**-**	-	**-**
Others variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	-410	-12 455	32 600	**19 735**	412	**20 147**
Equity at 30/06/2011	**10 893**	**6 534**	**265 730**	**-8 856**	**32 600**	**306 901**	**2 299**	**309 200**

For information, changes in equity of the first half of 2010 were as follows:

in € thousands	Share capital	Share premiums	Reserves	Conversion reserves	Result for the period	Equity attributable to the owners of the parent company	Non-controlling interests	Equity
Equity at 31/12/2009	**10 893**	**6 534**	**188 697**	**-11 335**	**38 816**	**233 605**	**2 595**	**236 200**
2009 allocation of net income	-	-	38 816	-	-38 816	**-**	-	**-**
Distribution of dividends	-	-	-11 503	-	-	**-11 503**	-561	**-12 064**
Treasury shares	-	-	-143	-	-	**-143**	-	**-143**
Changes in scope	-	-	-	-	-	**-**	-	**-**
Others variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	-620	20 587	38 032	**57 999**	467	**58 466**
Equity at 30/06/2010	**10 893**	**6 534**	**215 247**	**9 252**	**38 032**	**279 958**	**2 501**	**282 459**

Change in reserves by currency conversion

in € thousands	As at 30/06/2011	As at 31/12/2010	As at 30/06/2010
U.S. Dollar	-7 032	2 739	9 086
Indian Rupee	-2 465	3 081	4 510
South African Rand	-948	1 183	685
Australian Dollar	-797	4 358	1 823
Mexican peseta	-342	1 252	1 815
Other	-871	2 321	2 668
Change in reserves by currency conversion	**-12 455**	**14 934**	**20 587**

2. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1. Accounting policies and methods

General information note

Virbac is the first independent global pharmaceutical laboratory exclusively dedicated to animal health and markets a full range designed for pets and livestock.
In 2010 the Virbac share was listed on the Paris stock exchange in section B of the Eurolist.
Virbac is a public limited company under French law with an executive board and supervisory board. Its trading name is “Virbac”. The company was established in 1968 in Carros. Under the company’s current articles of association, the company is set to expire on 2 January 2028 unless further extended. The head office is located at 1ère avenue 2 065 m LID, 06511 Carros. The company is registered on the Grasse Trade registry under the number 417350311 RCS Grasse.

The 2010 consolidated financial statements were approved by the executive board on 11 March 2011. They will be submitted for approval to the shareholders’ general meeting on 28 June 2011; the meeting has the power to have them amended.

The explanatory notes below support the presentation of the consolidated accounts and form an integral part of them.

Significant events for the period

On 31 January 2011, Virbac has acquired the veterinary assets of the Synthesis company in Colombia for 9.6 million American dollars. This acquisition enables Virbac Colombia to double its size by providing additional revenue of about five million American dollars composed of 60% of bovine products (mainly antibiotics and nutritional supplements) and 40% of companion animal products (specialties). This operation is accompanied by the addition of the Synthesis teams and it reinforces Virbac's commercial presence on the fourth Latin American market. This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The price allocation is presented in note A1.

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Following submission of the registration dossier with the European Medicines Agency (EMA) in early 2010, the CVMP, Committee for Medicinal Products for Veterinary Use of the EMA, issued a favourable opinion on 13 January 2011 for CaniLeish®, the first vaccine against canine leishmaniosis in Europe. On 14 March, the European Commission confirmed this opinion by awarding Virbac a European registration for this vaccine. CaniLeish® was launched in late May 2011 in the Portuguese market.

On 4th May, Virbac acquired the Australian company Peptech, with which it signed a distribution contract for the contraceptive implant for dogs Suprelorin in 2007. This acquisition reinforces the Group’s rights to this product, not only in Europe where it is already distributed, but also across the world where it is to be developed, especially in the United States. This takeover also gives Virbac another product aimed at horses, Ovuplant, currently distributed by a third party in the United Kingdom and the United States. Finally, it means access to original proprietary technologies for solid and liquid implants. The 2011 sales forecasts for the Suprelorin implant amounts to €5 million for Europe and Australia alone. The purchase price of 100% of the shares Peptech is 9.1 million Australian dollars. This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The price allocation is presented in note A1.

Post-balance sheet events

The supplementary budget of social security for 2011, which established a profit sharing bonus (Article 1), was published in the Official Gazette ("Journal Officiel") of July 29. This law has no impact on the accounts at June 30, 2011, to the extent that it was not enacted at that time.

Virbac signed August 9, 2011 a joint venture with a Taiwanese company specialized in the field of vaccines for pigs and aquaculture.

Scope of consolidation

The condensed consolidated financial statements as at 30 June 2011 include the financial statements of the companies that Virbac controls indirectly or directly, in law and in fact. The list of consolidated companies is provided in note A17.

Main accounting principles applied

The Virbac group's consolidated financial statements were drawn up in line with the international accounting standards as adopted by the European Union (accounting basis available on the ec.europa.eu website). The international accounting standards include the IFRS (International financial reporting standards), the IAS (International accounting standards) and their interpretations, SIC (Standards interpretations committee) and IFRIC (International financial reporting interpretations committee).

The half-year condensed financial statements as of June 30, 2011, are presented and have been prepared in accordance with standard IAS 34 « Interim Financial Reporting ». The condensed interim financial statements don't include the whole information required by the IFRS reference system. They should be analyzed with the consolidated statements of the previous year's balance sheet date, as of December 31, 2010.
The accounting principles applied to the condensed consolidated financial statements are identical to the ones applied to the preparation of the consolidated statements of the previous year's balance sheet date, as of 31 December 2010.

For the presentation of the condensed consolidated financial statements as of June 30, 2011, the Group applied all the standards and interpretations in force at European level applicable for fiscal years beginning on January 1st, 2011. These standards and interpretations are as follows:

- IFRS 1 amended, "exemptions related to the information to be provided as part of IFRS 7", applicable to periods beginning on or after 1 July 2010;
- IAS 24 revised, "related party disclosures", applicable to periods beginning on or after 1 January 2011;
- IAS 32 amended, "classification of subscription rights", applicable to periods beginning on or after 1 January 2011;
- IFRIC 14 amended, "prepayments of a minimum funding requirement", applicable to periods beginning on or after 1 January 2011;
- IFRIC 19, "extinguishing financial liabilities with equity instruments", applicable to periods beginning on or after 1 July 2010.

On the end date of these consolidated accounts, the following standards and interpretations were submitted by IASB (International accounting standards board) but still not adopted by the European Union or not applicable by anticipation:

- IFRS 1 amended, "serious hyperinflation and removal of fixed adoption dates for new adoptions", applicable to periods beginning on or after 1 July 2011;
- IFRS 7 amended, "information to be provided – transfers of financial assets", applicable to periods beginning on or after 1 July 2011;
- IFRS 9, "financial instruments", applicable to periods beginning on or after 1 January 2013;
- IFRS10, "consolidated financial statements", applicable to periods beginning on or after 1 January 2013;
- IFRS 11, "joint arrangements", applicable to periods beginning on or after 1 January 2013;
- IFRS 12, "disclosure of interests in other entities", applicable to periods beginning on or after 1 January 2013;

- IFRS 13, “fair value measurement”, applicable to periods beginning on or after 1 January 2013;
- IAS 12 amended, “recovery of underlying assets”, applicable to periods beginning on or after 1 January 2012;
- IAS 27 amended, “separate financial statement”, applicable to periods beginning on or after 1 January 2013;
- IAS 28 amended, “Investments in associates and joint ventures”, applicable to periods beginning on or after 1 January 2013;

The Group is currently performing an analysis on the practical consequences of these new texts and the effects of their application on the accounts. Where necessary, the Group will apply these standards in its financial statements when adopted by the European Union.

Consolidations rules

Consolidation method

The accounts of companies under exclusive control are consolidated by global integration. Those companies over which Virbac exercises joint control or significant influence are accounted for by the equity method.

All companies have been consolidated on the basis of financial statements using 30 June 2011 as their balance sheet date.

Conversion of financial statements

The functional currency in the Group's foreign subsidiaries is the current local currency with the exception of the company Santa Elena in Uruguay whose functional currency is U.S. dollars.
The financial statements of foreign companies for which the functional currency is not the euro are converted according to the following principles:

- the balance sheet items are converted at the rate in force at the close of the period. T he translation difference resulting from the application of a different exchange rate on opening equity is shown as equity in the consolidated balance sheet;
- the income statements are converted at the average rate for the period. The translation difference resulting from the application of an exchange rate different from the balance sheet rate is shown as equity on the consolidated balance sheet.

Elimination of inter-company transactions

All reciprocated transactions consolidated between the Group's companies by overall inclusion are eliminated.
Relating to other intra-group transactions:

- the benefits included in the inventories and fixed assets bought from other companies in the Group are eliminated;
- the intra-group dividends received are recorded in the reserves on a gross basis.

Estimations

The drawing up of consolidated financial statements prepared in accordance with international accounting standards implies that the Group makes a number of estimates and assumptions believed to be realistic and reasonable.
Certain facts and circumstances could lead to changes in estimates and assumptions, which could affect the value of assets, liabilities, equity and Group income.

Acquisition prices

Some acquisition contracts relating to company regrouping or the purchase of intangible assets, include a clause likely to change the price of the acquisition, depending on the objectives associated with financial income, the obtainment of marketing authorisation, or results of efficacy testing.

In this case, the Group should estimate, at the close of the fiscal year, the acquisition price based on the most realistic assumptions for achieving these objectives.

Tax charge

The Group tax charge is calculated on the basis of the recognized tax rate estimated for the period. This rate, fixed using the effective tax rates in the fiscal entities of the Group, is applied to the profit before tax.

2.2. Notes

A1. Goodwill

in € thousands	Gross value as at 31/12/2010	Impairement of value as at 31/12/2010	Book value as at 31/12/2010	Increments	Sales	Impairment of value	Transfers	Conversion gains and losses	Book value as at 30/06/2011
Virbac	724	-274	**450**	-	-	-	-	-	**450**
Virbac France	634	-634	**-**	-	-	-	-	-	**-**
Virbac Nederland BV	1 877	-272	**1 605**	-	-	-	-	-	**1 605**
Virbac SRL	1 585	-	**1 585**	-	-	-	-	-	**1 585**
Virbac do Brasil Industria e Comercio Ltda	21	-	**21**	-	-	-	-	-	**21**
Virbac Danmark A/S	4 643	-	**4 643**	-	-	-	-	-	**4 643**
Virbac Nutrition	7	-	**7**	-	-	-	-	-	**7**
Dog N'Cat International	43	-	**43**	-	-	-	-	-	**43**
Bio Veto Test	6 177	-	**6 177**	-	-	-	-	-	**6 177**
Francodex Santé Animale	1 677	-1 677	**-**	-	-	-	-	-	**-**
Virbac Hellas SA	1 268	-	**1 268**	-	-	-	-	-	**1 268**
Animedica SA	90	-	**90**	-	-	-	-	-	**90**
Virbac Korea Co. Ltd	130	-	**130**	-	-	-	-	-	**130**
Virbac (Thailand) Co. Ltd	295	-	**295**	-	-	-	-	-28	**267**
Virbac Colombia Ltda	387	-	**387**	1 933	-	-	-	11	**2 331**
Virbac Japan Co. Ltd	352	-	**352**	-	-	-	-	-	**352**
Laboratorios Virbac Costa Rica SA	12	-	**12**	-	-	-	-	-	**12**
Virbac de Portugal Laboratorios Lda	249	-62	**187**	-	-	-	-	-	**187**
Virbac Vietnam Co. Ltd	136	-40	**96**	-	-	-	-	-15	**81**
Virbac RSA (Proprietary) Ltd	688	-344	**344**	-	-	-	-	-34	**310**
Virbac Animal Health India Private Limited	18 775	-	**18 775**	-	-	-	-	-1 332	**17 443**
Virbac Corporation	49 569	-3 069	**46 500**	-	-	-	-	-3 388	**43 112**
Virbac (Australia) Pty Ltd	3 674	-380	**3 294**	3 843	-	-	-	-15	**7 122**
Virbac New Zealand Limited	340	-188	**152**	-	-	-	-	-4	**148**
Goodwill	**93 353**	**-6 940**	**86 413**	**5 776**	**-**	**-**	**-**	**-4 805**	**87 384**

The review of qualitative and quantitative indicators related to goodwill did not reveal any indication of impairment from the opening balance sheet.
The increases are related to business combinations detailed below.

Business Combinations

Acquisition of Synthesis

On 31 January 2011, Virbac has acquired the veterinary assets of the Synthesis company in Colombia for 9.6 million American dollars. This acquisition enables Virbac Colombia to double its size by providing additional revenue of about five million American dollars. This operation is accompanied by the addition of the Synthesis teams and it reinforces Virbac's commercial presence on the fourth Latin American market.

This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The goodwill related to the synergies described above, is calculated as follows:

in € thousands	Fair value in the consolidated accounts
Acquisition prices of assets	6 925
Fair value of net assets acquired	4 992
Goodwill	**1 933**

Assets acquired are detailed below:

in € thousands	Book value in the accounts of the seller	Fair value in the consolidated accounts
Tangible assets	-	4 621
Inventories and work in progress	300	372
Net assets acquired	**300**	**4 992**

Acquisition of Peptech

On 4th May, Virbac acquired the Australian company Peptech, with which it signed a distribution contract for the contraceptive implant for dogs Suprelorin in 2007. This acquisition reinforces the Group’s rights to this product, not only in Europe where it is already distributed, but also across the world where it is to be developed, especially in the United States. This takeover also gives Virbac another product aimed at horses, Ovuplant, currently distributed by a third party in the United Kingdom and the United States. Finally, it means access to original proprietary technologies for solid and liquid implants.

This acquisition is a business combination under the revised IFRS 3 and will be registered as such in the consolidated accounts. The goodwill related to the synergies described above, is calculated as follows:

in € thousands	Fair value in the consolidated accounts
Price paid for the acquisition of shares	5 965
Additional purchase price of the securities	734
Estimated price for the acquisition of shares	**6 699**
Fair value of net assets acquired	2 520
Deferred tax assets	336
Goodwill	**3 843**

Assets acquired are detailed below:

in € thousands	Book value in the accounts of the seller	Fair value in the consolidated accounts
Intangible assets	-	2 407
Tangible assets	1 184	1 184
Inventories and work in progress	726	1 071
Operating receivables	527	527
Financial liabilities	-1 096	-1 096
Operating payables	-1 573	-1 573
Net assets acquired	**-232**	**2 520**

A2. Intangibles assets

in € thousands	Concessions, patents, licenses and brands	Other intangible assets	Intangible assets in progress	Intangible assets
Gross value as at 31/12/2010	**96 606**	**35 745**	**4 102**	**136 453**
Acquisitions	12 895	744	5 234	**18 873**
Sales	-	-41	-55	**-96**
Changes in scope	-	-	-	**-**
Transfers	-771	409	-508	**-870**
Conversion gains and losses	-2 199	-408	-89	**-2 696**
Gross value as at 30/06/2011	**106 531**	**36 449**	**8 684**	**151 664**
Depreciation as at 31/12/2010	**-27 885**	**-23 574**	**-**	**-51 459**
Allowances	-1 580	-1 530	-	**-3 110**
Reversals	-	-	-	**-**
Sales	-	41	-	**41**
Changes in scope	-	-	-	**-**
Transfers	771	-	-	**771**
Conversion gains and losses	536	243	-	**779**
Depreciation as at 30/06/2011	**-28 158**	**-24 820**	**-**	**-52 978**
Net value as at 31/12/2010	**68 721**	**12 171**	**4 102**	**84 994**
Net value as at 30/06/2011	**78 373**	**11 629**	**8 684**	**98 686**

The review of qualitative and quantitative indicators relating to intangible assets did not reveal any indication of impairment from the opening balance sheet.

The increase in "Concessions, patents, licenses and trademarks" is primarily related to acquisitions of intangible assets in acquisitions. As such, brands and marketing authorization obtained in Synthesis represent the grouping of 4621 k €. Patents, trademarks and customer base acquired in the consolidation of Peptech are measured at 2407 k €. The vesting of Multimin for South Africa and neighbouring countries, recognized in accordance with IAS 38, amounts to 5 760 k €.

The increase in "intangible assets in progress" is essentially of deposits for the acquisition of intangible assets by the subsidiary Virbac Hong Kong, and IT projects in progress.

A3. Tangible assets

in € thousands	Land	Constructions	Technical facilities, materials and industrial equipment	Other tangible assets	Tangible assets in progress	Tangible assets
Gross value as at 31/12/2010	**10 341**	**94 763**	**75 323**	**19 007**	**13 855**	**213 289**
Acquisitions	1 817	1 928	2 841	813	12 598	**19 997**
Sales	-	-160	-119	-573	-67	**-919**
Changes in scope	-	-	-	-	-	**-**
Transfers	-	1 860	662	258	-2 095	**685**
Conversion gains and losses	-383	-1 421	-1 230	-429	-174	**-3 637**
Gross value as at 30/06/2011	**11 775**	**96 970**	**77 477**	**19 076**	**24 117**	**229 415**
Depreciation as at 31/12/2010	**-**	**-48 758**	**-49 252**	**-13 668**	**-**	**-111 678**
Allowances	-	-2 317	-2 741	-1 002	-	**-6 060**
Reversals	-	-	-	23	-	**23**
Sales	-	160	114	540	-	**814**
Changes in scope	-	-	-	-	-	**-**
Transfers	-	-448	-106	-41	-	**-595**
Conversion gains and losses	-	433	711	281	-	**1 425**
Depreciation as at 30/06/2011	**-**	**-50 930**	**-51 274**	**-13 867**	**-**	**-116 071**
Net value as at 31/12/2010	**10 341**	**46 005**	**26 071**	**5 339**	**13 855**	**101 611**
Net value as at 30/06/2011	**11 775**	**46 040**	**26 203**	**5 209**	**24 117**	**113 344**

The increase in this item, including tangible assets in progress, is mainly related to renovations of the buildings in Fort Worth in the United States, the redesign and expansion of the unit vaccines, as well as 'to build a new production at the site of Carros in France.

A4. Share in companies accounted for by the equity method

in € thousands	Company's individual accounts using equity method				Consolidated accounts	
	Balance sheet total	Equity	Net sales	Result	Share on equity	Share of result
German company	2 213	643	2 100	-	340	-
South African company	-	-	-	-	-	-
Uruguayan company (Santa Elena)	5 679	3 631	2 775	205	2 843	61
Share in companies accounted for by the equity method					**3 183**	**61**

A5. Inventory and work in progress

in € thousands	Raw material and supplies	Work in progress	Finished goods and merchandise	Inventories and work in progress
Gross value as at 31/12/2010	**33 390**	**8 040**	**65 997**	**107 427**
Variations	6 427	-2 400	10 071	**14 098**
Changes in scope	-	-	-	**-**
Transfers	-	-	-1 020	**-1 020**
Conversion gains and losses	-726	-18	-2 039	**-2 783**
Gross value as at 30/06/2010	**39 091**	**5 622**	**73 009**	**117 722**
Depreciation as at 31/12/2010	**-1 186**	**-387**	**-6 961**	**-8 534**
Allowances	-1 169	-1 181	-1 958	**-4 308**
Reversals	571	387	2 613	**3 571**
Changes in scope	-	-	-	**-**
Transfers	-	-	1 020	**1 020**
Conversion gains and losses	43	-	126	**169**
Depreciation as at 30/06/2011	**-1 741**	**-1 181**	**-5 160**	**-8 082**
Net value as at 31/12/2010	**32 204**	**7 653**	**59 036**	**98 893**
Net value as at 30/06/2011	**37 350**	**4 441**	**67 849**	**109 640**

A6. Trade receivables

in € thousands	Trade receivables
Gross value as at 31/12/2010	**88 880**
Variations	**12 244**
Changes in scope	**-**
Transfers	**-30**
Conversion gains and losses	**-1 999**
Gross value as at 30/06/2011	**99 095**
Depreciation as at 31/12/2010	**-3 357**
Allowances	**-52**
Reversals	**302**
Changes in scope	**-**
Transfers	**30**
Conversion gains and losses	**48**
Depreciation as at 30/06/2011	**-3 029**
Net value as at 31/12/2010	**85 523**
Net value as at 30/06/2011	**96 066**

A7. Other financial liabilities

Change in other financial liabilities

in € thousands	31/12/2010	Increases	Decreases	Changes in scope	Transfers	Conversion gains and losses	30/06/2011
Loans	**31 354**	28 320	-1 163	-	138	-435	**58 214**
Bank overdrafts	**-**	-	-	-	-	-	**-**
Accrued interests not yet matured	**-**	-	-	-	-	-	**-**
Debt relating to leasing contracts	**808**	-	-274	-	-329	-50	**155**
Employee profit sharing	**11**	1	-6	-	-	-1	**5**
Derivative foreign currency exchange and interest rate instruments	**170**	-	-170	-	-	-	**-**
Others	**169**	-	-	-	-138	-2	**29**
Other non-current financial liabilities	**32 512**	**28 321**	**-1 613**	**-**	**-329**	**-488**	**58 403**
Loans	**3 015**	6 570	-440	-	-	-152	**8 993**
Bank overdrafts	**5 430**	13 715	-	-	-	-193	**18 952**
Accrued interests not yet matured	**20**	38	-	-	-	-	**58**
Debt relating to leasing contracts	**1 281**	67	-265	-	329	-51	**1 361**
Employee profit sharing	**324**	65	-121	-	-	-3	**265**
Derivative foreign currency exchange and interest rate instruments	**537**	149	-	-	-	-	**686**
Others	**-**	-	-	-	-	-	**-**
Other current financial liabilities	**10 607**	**20 604**	**-826**	**-**	**329**	**-399**	**30 315**
Other financial liabilities	**43 119**	**48 925**	**-2 439**	**-**	**-**	**-887**	**88 718**

The increase in "borrowing" is done mainly to draw on credit line to finance acquisitions. That of bank loans is primarily due to payments of discounts season.

Others financial liabilities by maturity

June 30th, 2011

in € thousands	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	8 993	58 214	-	**67 207**
Bank overdrafts	18 952	-	-	**18 952**
Accrued interests not yet matured	58	-	-	**58**
Debt relating to leasing contracts	1 361	155	-	**1 516**
Employee profit sharing	265	5	-	**270**
Derivative foreign currency exchange and interest rate instruments	686	-	-	**686**
Others	-	29	-	**29**
Other financial liabilities	**30 315**	**58 403**	**-**	**88 718**

December 31th, 2010

in € thousands	Payments			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	3 015	31 354	-	**34 369**
Bank overdrafts	5 430	-	-	**5 430**
Accrued interests not yet matured	20	-	-	**20**
Debt relating to leasing contracts	1 281	808	-	**2 089**
Employee profit sharing	324	11	-	**335**
Derivative foreign currency exchange and interest rate instruments	537	170	-	**707**
Others	-	169	-	**169**
Other financial liabilities	**10 607**	**32 512**	**-**	**43 119**

A8. Trade payables

in € thousands	31/12/2010	Variations	Changes in scope	Transfers	Conversion gains and losses	30/06/2011
Current trade payables	**72 170**	-9 278	-	-4 286	-1 866	**56 740**
Payables of intangible assets	**1 480**	-1 365	-	-	-	**115**
Payables of tangible assets	**1 653**	200	-	-	-55	**1 798**
Trade payables	**75 303**	**-10 443**	**-**	**-4 286**	**-1 921**	**58 653**

A9. Revenue from ordinary activities

in € thousands	30/06/2011	30/06/2010	*Change*
Sales of finished goods and merchandise	344 481	313 585	*9,9%*
Services	12	57	*-78,9%*
Additional income from activity	516	373	*38,3%*
Royalties paid	68	78	*-12,8%*
Gross sales	**345 077**	**314 093**	***9,9%***
Discounts, rebates and refunds on sales	-24 634	-24 585	*0,2%*
Expenses deducted from sales	-4 237	-4 046	*4,7%*
Settlement discounts	-1 458	-1 213	*20,2%*
Provisions for returns	-228	-162	*40,7%*
Expenses deducted from sales	**-30 557**	**-30 006**	***1,8%***
Revenue from ordinary activities	**314 520**	**284 087**	***10,7%***

A10. Others non-recurring income and expenses

At June 30, 2011, no other non-current income or expense is recognized.

June 30, 2010, other non-recurring income and expenses were related to the acquisition of Pfizer assets in Australia, in the following format:

in € thousands	30/06/2010
Negative goodwill on assets acquired in Australia	11 514
Revaluation of inventories acquired in Australia (purchase accounting method)	-528
Restructuring charges linked to the acquisition of assets in Australia	-487
Other non-current income and expenses	**10 499**

A11. Financial income and expenses

in € thousands	30/06/2011	30/06/2010	*Change*
Gross cost of financial debt	-1 589	-1 004	*58,3%*
Income from cash and cash equivalents	388	280	*38,6%*
Net cost of financial debt	**-1 201**	**-724**	***65,9%***
Foreign exchange losses	-801	-1 192	*-32,8%*
Foreign exchange gains	1 039	1 814	*-42,7%*
Change in foreign currency derivatives and interest rate	-2	-1 007	*-99,8%*
Other financial charges	-151	-1	*15000,0%*
Other financial income	43	73	*-41,1%*
Other financial income and expenses	**128**	**-313**	***-140,9%***
Financial income and expenses	**-1 073**	**-1 037**	***3,5%***

A12. Income tax

	30/06/2011		30/06/2010	
in € thousands	Base	Tax	Base	Tax
Result before tax	**48 566**		**51 182**	
Reprocessing of CIR (Research tax credit)	-2 245		-2 402	
Adjustment of non-recurring items (including tax)	-		-10 499	
Result before tax, after adjustements	**46 321**		**38 281**	
Current tax for French companies		-3 306		-3 201
Current tax for foreign companies		-12 417		-10 930
Current tax		**-15 723**		**-14 131**
Deferred tax for French companies		456		2 074
Deferred tax for foreign companies		-290		-512
Deferred tax		**166**		**1 562**
Tax accounted for		**-15 557**		**-12 569**
Effective tax rate		*33,59%*		*32,83%*
Theoretical tax rate		*34,43%*		*34,43%*
Theoretical tax		**-15 948**		**-13 180**
Difference between theoretical tax and recorded tax		**-391**		**-611**

In accordance with IAS 34, in the financial statements at 30 June 2011, the tax charge was determined by applying to the profit before tax for the period the average tax rate estimated for the year.

A13. Result per share

	30/06/2011	30/06/2010
Result attributable to the owners of the parent company	**32 600 142 €**	**38 032 019 €**
Total number of shares	8 714 352	8 714 352
Impact of dilutive instruments	N/A	N/A
Number of treasury shares	35 672	39 379
Outstanding shares	8 678 680	8 674 973
Result attributable to the owners of the parent company, per share	**3,76 €**	**4,38 €**
Result attributable to the owners of the parent company, diluted per share	**3,76 €**	**4,38 €**

A14. Treasury shares

At June 30, 2011, Virbac held treasury shares intended to supply plans to award performance shares and the implementation of a capital reduction by cancellation of the Company of all or part of the securities purchased. The amount of these shares is recorded as a reduction of equity.

Some plans being matured during the period, employees have exercised their rights. At June 30, 2011, the number of shares amounted to 35,672 (against 46,036 shares at December 31, 2010) for a total of 2933 k €.

A15. Operational sectors

In accordance with IFRS 8, the Group provides a segment as used internally by the chief operating decision maker (PDO).

The segment reporting of the Group is the geographical area. The breakdown by geographic area is made on seven sectors, according to the location of assets of the Group:
• France;
• Europe (excluding France);
• Latin America;
• North America;
• Asia
• Pacific
• Africa & Middle East.

The Group's operations are organized and managed separately according to the nature of the markets. There are two marketing segments that are pets and farm animals. These can not be considered as a segment information for the reasons listed below:
• Nature of products: most therapeutic segments are common pets and farm animals (antibiotics, pesticides ...)
• production processes: the production lines are common to both segments and there is no significant differentiation of supply sources;
• type or category of customers: the distinction is made between the ethical sector (veterinarians) and OTC (Over the counter);
• internal organization: the management structures of the Virbac Group are organized by geographical areas. No, at Group level, responsibility for marketing segment;
• distribution methods: the main distribution channels are more dependent on countries that segment marketing. The sales force may be, in some cases, common to both segments marketing;
• nature of the regulatory environment means the bodies authorizing the placing on the market are the same regardless of the segment.

In the information presented below, the areas correspond to geographical areas (areas of implementation of the Group's assets).

June 30th, 2011

€ thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	70 085	85 066	22 434	44 123	36 651	42 429	13 732	**314 520**
Operating result	9 169	9 276	3 121	13 445	4 956	7 117	2 555	**49 639**
Result attributable to the owners of the parent company	5 603	5 928	2 017	8 674	3 623	4 933	1 822	**32 600**
Non-controlling interests	5	386	-	-	79	-	-	**470**
Consolidated result	**5 608**	**6 314**	**2 017**	**8 674**	**3 702**	**4 933**	**1 822**	**33 070**

June 30th, 2010

in € thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	67 614	78 697	16 687	43 848	31 966	32 605	12 670	**284 087**
Operating result	6 434	10 604	1 823	12 236	4 655	14 310	2 157	**52 219**
Result attributable to the owners of the parent company	3 784	6 776	1 444	7 815	3 217	13 673	1 323	**38 032**
Non-controlling interests	5	312	-	-	85	-	-	**402**
Consolidated result	**3 789**	**7 088**	**1 444**	**7 815**	**3 302**	**13 673**	**1 323**	**38 434**

A16. Information on related parties

Executive compensation

	Fixed remuneration (including fringe benefits)	Compensation linked to terms of office for administrators in Group companies	Variable compensation	Total remuneration
Éric Marée	143 842 €	30 750 €	90 500 €	**265 092 €**
Pierre Pagès	97 985 €	29 200 €	56 000 €	**183 185 €**
Christian Karst	94 828 €	19 000 €	50 000 €	**163 828 €**
Michel Garaudet	88 092 €	6 050 €	27 500 €	**121 642 €**
Jean-Pierre Dick	17 676 €	-	7 500 €	**25 176 €**
Total	**442 423 €**	**85 000 €**	**231 500 €**	**758 923 €**

Compensation paid in respect of the 2011 financial half-year corresponds with the fixed compensation paid in 2011, the compensation linked to the offices of the directors in the Group's companies paid in 2011, the variable compensation related to the period and to the benefits in kind awarded in 2011 (company vehicle).

Calculation criteria for the variable portion

The variable compensation of members of the executive board depends on a series of shared goals:
- sales growth;
- growth in operating profit from ordinary activities;
- as well as specific goals;

Others benefits

In addition to the various compensation items, members of the executive board enjoy the following benefits.

Retirement

A supplementary defined benefit pension plan (12.5% of reference salary and 22% in the event of over 30 years' service) granted on the following terms:
- over ten years service in the Group (including nine years as a member of the executive board);
- be at least 60;
- finish his/her career in the Group.

Severance pay

The commitments made by the company and the companies it controls to its managers in the event their off ices are terminated are as follows:
- Éric Marée: 483,000;
- Pierre Pagès: 404,000;
- Christian Karst: 326,000.

Allocation of performance shares

In line with the authorisation granted by the shareholders' meeting, since 2006, the executive board has awarded stock grants to certain managers of Virbac and of its subsidiaries. These grants are contingent upon the achievement of a performance goal tied to the Group's profitability and net debt,
which will respectively be assessed at the end of 2008, 2009, 2010, 2011 and 2012.

The performance shares granted under the plans 2009, 2010 and 2011 are respectively 14,450 shares, 12,000 shares and 10,000 shares.

Grants of performance shares granted to board members in 2009, 2010 and 2011 are as follows:

	Number of shares Plan 2009	Number of shares Plan 2010	Number of shares Plan 2011
Éric Marée	1 800	1 460	1 150
Pierre Pagès	1 300	1 080	850
Christian Karst	1 200	1 000	820
Michel Garaudet	800	665	510
Total	**5 100**	**4 205**	**3 330**

A17. Scope of consolidation

Company name	Locality	Country	Checked at 30/06/2011	Checked at 31/12/2010
Virbac (parent company)	Carros	France	100,00%	100,00%
Interlab	Carros	France	100,00%	100,00%
Virbac France	Carros	France	100,00%	100,00%
Virbac Belgium SA	Wavre	Belgium	75,27%	75,27%
Virbac Nederland BV *	Barneveld	Netherlands	75,28%	75,28%
Virbac (Switzerland) AG	Glattbrugg	Switzerland	100,00%	100,00%
Virbac Ltd	Bury St. Edmunds	United Kingdom	100,00%	100,00%
Virbac SRL	Milan	Italy	100,00%	100,00%
Virbac do Brasil Industria e Comercio Ltda	São Paulo	Brazil	100,00%	100,00%
Virbac Danmark A/S	Kolding	Denmark	100,00%	100,00%
Inomark AG	Glattbrugg	Switzerland	100,00%	100,00%
Virbac Mexico SA de CV	Guadalajara	Mexico	100,00%	100,00%
Laboratorios Virbac Mexico SA de CV	Guadalajara	Mexico	100,00%	100,00%
Virbac Pharma Handelsgesellshaft mbH	Bad Oldesloe	Germany	100,00%	100,00%
Virbac Tierarzneimittel GmbH	Bad Oldesloe	Germany	100,00%	100,00%
Virbac Sp Z o.o.	Varsovie	Pologne	100,00%	100,00%
Soparlic	Carros	France	100,00%	100,00%
Virbac Distribution	Wissous	France	100,00%	100,00%
Virbac Nutrition	Vauvert	France	100,00%	100,00%
Dog N'Cat International	Vauvert	France	100,00%	100,00%
Bio Veto Test	La Seyne sur Mer	France	100,00%	100,00%
Francodex Santé Animale	Carros	France	99,60%	99,60%
Virbac Hellas SA	Agios Stefanos	Greece	100,00%	100,00%
Animedica SA	Agios Stefanos	Greece	100,00%	100,00%
Virbac España SA	Barcelone	Spain	100,00%	100,00%
Virbac Österreich GmbH	Vienne	Austria	100,00%	100,00%
Virbac Korea Co. Ltd	Séoul	South Korea	100,00%	100,00%
Virbac (Thailand) Co. Ltd	Bangkok	Thailand	100,00%	100,00%
Virbac (Taiwan) Co. Ltd	Taïpei	Taïwan	100,00%	100,00%
Virbac Colombia Ltda	Bogota	Colombia	100,00%	100,00%
Virbac Philippines Inc.	Pasig City	Philippines	100,00%	100,00%
Virbac Japan Co. Ltd	Osaka	Japan	100,00%	100,00%
Laboratorios Virbac Costa Rica SA	San José	Costa Rica	100,00%	100,00%
Virbac Asia Pacific Co. Ltd	Bangkok	Thailand	100,00%	100,00%
Virbac de Portugal Laboratorios Lda	Sintra	Portugal	100,00%	100,00%
Virbac Vietnam Co. Ltd	Ho Chi Minh Ville	Vietnam	75,00%	75,00%
Virbac RSA (Proprietary) Ltd *	Centurion	South Africa	100,00%	100,00%
Alfamed	Carros	France	99,70%	99,70%
Virbac (HK) Limited	Kowloon	Hong Kong	100,00%	100,00%
Virbac Animal Health India Private Limited	Mumbai	India	100,00%	100,00%
Virbac Corporation *	Fort Worth	United States	100,00%	100,00%
PP Manufacturing Corporation	Framingham	United States	100,00%	100,00%
Virbac (Australia) Pty Ltd *	Milperra	Australia	100,00%	100,00%
Virbac New Zealand Limited	Auckland	New Zeland	100,00%	100,00%
Number of companies consolidated by global integration			**44**	**44**
German company	-	-	23,99%	23,99%
Uruguayan company (Santa Elena)	-	-	30,00%	30,00%
Number of companies consolidated by the equity method			**2**	**2**
Number of companies incorporated in consolidation			**46**	**46**

**pre-consolidated levels*

III. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF YEARLY FINANCIAL REPORT 2011

I certify that, to my knowledge, condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Virbac consolidated group of companies, and that the half yearly management report provided a fair description of the material events that occurred during the first six months of this financial year as well as their impact on the financial statements, the principal risks and uncertainties for the remaining six months of the year.

Carros, August 31th, 2011

Éric Marée
Chairman of the executive board

IV. STATUTORY AUDITORS’ REPORT ON THE FIRST HALF YEARLY FINANCIAL INFORMATION

To the Shareholders,

In accordance with the assignment entrusted to us by your Annual General Meeting and in accordance with Article L.451-1-2 of the French Monetary and Financial Code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying condensed consolidated financial statements of Virbac for the period from January 1 to June 30, 2011;
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1 Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2 Specific verification

We have also verified the information provided in the interim management report commenting the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Nice and Marseilles, August 31, 2011
The Statutory Auditors
French original signed by

Novances - David & Associés	Deloitte & Associés
Jean-Pierre GIRAUD	Hugues DESGRANGES