HALF YEARLY BUSINESS REPORT

FIRST HALF 2013 SIGNIFICANT EVENTS

Beginning of April Virbac's US affiliate announced to its distributors that the supplying of its internal parasiticide Iverhart Plus is being stopped temporarily, due to the fact that certain lots manufactured recently were or might be below specification in the potency level of one of the actives before the expiry date of the product. Lots in stock have been voluntarily withdrawn from distributors and for some of them, recalled from veterinary practices.
To overcome this interruption of supply and replace the products withdrawn, Virbac US is offering Iverhart Max to its customers, for a period of 6 months, at the current price of Iverhart Plus. Iverhart Max, which is not affected by this situation, combines a third active ingredient to those contained in Iverhart Plus, which provides a wider protection to dogs as it is active against tapeworm in addition to protecting against heartworm.
In the US, sales during this first half remained stable despite the negative impact of the Iverhart Plus withdrawal, thanks to a good substitution with Iverhart Max and the growth of other product ranges, including products recently launched.

SIGNIFICANT EVENTS AFTER THE CLOSING DATE

Not applicable.

REVIEW OF THE FINANCIAL SITUATION AND RESULTS

First half sales amount to 372.0 M€ compared to 349.4 M€ in 2012, a +6.4% nominal growth or +8.6% at constant exchange rates. This performance is coming from recent acquisitions while organically, sales decreased slightly by -0.5%, due to the addition of both market factors (economic slow down, pathology) and more specific factors, especially the high comparison basis set last year by the launch of CaniLeish in major European markets and the strong growth of Iverhart in the US following the absence of a competitor from the market. The impact of the decline of these two brands on the organic growth in the first half is around -1.5% each.
In addition, the divestments of OTC businesses generated a -1.5% decrease. Lastly, the contribution of 2012 acquisitions is in line with expectations. In particular sales of Centrovet in Chile reached 35.5 M€ and have grown by +6% on a pro-forma basis as compared to the first half of 2012.

Consolidated number (in million Euros)	First half 2013	First half 2012	Change 2013 / 2012
Revenue from ordinary activities	**372,0**	**349,4**	**6,4%**
Growth at constant exchange rates			8,6%
Pro-forma growth at constant exchange rates			-0,5%
Current operating result	**56,2**	**55,8**	**0,8%**
As a % of revenue	*15,1%*	*16,0%*	**0**
Operating result	**54,4**	**56,9**	**-4,4%**
Net profit – Group share	**32,6**	**37,9**	**-14,0%**

The consolidated financial statements of Virbac for the period from January 1 to June 30, 2013 have been reviewed by the auditors and are available on www.virbac.com website.

The current operating profit is slightly increasing. It amounted to 56.2 M€ compared to 55.8 M€ last year, a decrease of 0.9 point as a percentage of sales. Such evolution is resulting from different factors which have compensated in value:

- on one side, excluding acquisitions, the overall stability of sales and the worsening of exchange rates resulted in a decrease in operating profitability, despite a strict control of current expenses, in comparison to the record level reached last year. Results in the first half of 2012 had actually been driven up by a high performance in Europe and in the United States, markets generating the highest contribution for Virbac, and by favourable exchange rates. Besides, costs incurred in the US related to the temporary withdrawal of Iverhart Plus and the offer of a substitution with Iverhart Max weighted unfavourably on this first half result;
- at the same time, the increase of resources dedicated to innovation is being confirmed. Research and development expenses have grown by around 11,5% at constant perimeter, a 0.9 point increase as a percentage of sales;
- conversely, acquisitions made in 2012 and mainly Centrovet (Chile) because of its size had, as expected, a positive impact on the operating profitability and a high contribution to the result, compensating for the factors of decrease described here above.

The net profit - Group share is decreasing. Firstly it includes a non-current expense of 1.8 M€ due to the revaluation of Centrovet inventories in accordance with IFRS rules related to business combinations. Last year on the contrary, a one-time profit of 1.1 M€ had been booked following the sale of a non-strategic business. Secondly, financial expenses increase this year as a consequence of a higher level of debt due to the 2012 acquisitions. Lastly, the profit attributable to the non-controlling interests, which reflects the share of minority interests in Centrovet, amounted to 3.7 M€.

Financial situation

The increase of debt in comparison to June 2012 is due to the acquisitions made last year. During the first six months of this year, debt increased by 77 M€: this is due on the one hand to the payment of a price adjustment clause on the Centrovet acquisition; on the other hand to the seasonal working capital needs; lastly, to major capital expenditure projects including new industrial units in France and in Mexico and the extension of Centrovet facilities in Chile. Virbac's financial structure is very sound with a level of net debt which remains moderate compared to equity and cash flow generation.

Annual outlook

After the low start of the year, Virbac remains confident in a rebound of organic growth in the second half. With the addition of external growth – net of divestments occurred in 2012 –, total 2013 revenues should reach a double digit growth at constant exchange rates and lead to an evolution at least similar of the current operating profit. Should the current trend of foreign exchange rates be lasting it will however moderate this evolution. Taking into account the increase of financial expense and the non-controlling interests in Centrovet, the net profit-Group share should be a bit lower than in 2012, excluding exceptional items (1).

(1) besides the non-recurring expense recorded in the first half, an exceptional profit or loss may also be recognized in the 2013 result, following IFRS, if the actual amount to be paid early 2014 with respect to the last price adjustment for the Centrovet acquisition, which is linked to 2013 performance criteria, would differ from the estimate made and booked as of the date of the transaction in 2012.

BUSINESS PERFORMANCE

By segment

Consolidated number (in millions Euros)	First half 2013	First half 2012	Change (at constant rate)	Change (at constant rate and scope)
Companion Animals	207,2	216,3	-4,2%	-0,5%
Food Producing Animals	157,0	126,6	24,0%	0,5%
Others Activities	7,8	6,5	19,4%	-22,4%
TOTAL	**372,0**	**349,4**	**6,4%**	**-0,5%**

Companion animals

Sales in the companion animals segment decreased slightly, -0.5%, essentially due to CaniLeish and low market trends in Europe and to the Iverhart situation in the US.

Food producing animals

Sales in the food producing animals segment increased slightly, +0.5%: the growth in the emerging countries is offset by the negative performance in Europe and in Australia.
Globally, sales are progressing in the bovine sector (+1.8%) but decrease in the swine and poultry sector (-4.4%), essentially in Europe.

Other businesses

These activities, which represent less than 2% of revenues for the three months remained steady. They correspond to the markets of lesser strategic importance for the Group and mainly include contract manufacturing in the United States and Australia.

By geographic region

Area / M€	First half 2013	First half 2012	Change (%)	Change (at constant rate)
France	50,3	53,2	-5,3%	-5,3%
Europe excluding France	97,4	107,3	-9,2%	-8,7%
North America	57,4	58,3	-1,5%	-0,3%
Latin America	66,7	28,5	134,4%	136,5%
Africa - Middle East	13,3	14,9	-10,6%	2,1%
Asia	44,8	44,5	0,7%	6,9%
Pacific	42,0	42,8	-2,0%	0,4%
TOTAL	**372,0**	**349,4**	**6,4%**	**8,6%**

Emerging markets (Latin America, India, Asia excluding Japan) enjoyed a significant growth, compensating for the slow down recorded in Europe and other developed countries (Japan, Australia).
In the US, sales during this first half remained stable despite the negative impact of the Iverhart Plus withdrawal, thanks to a good substitution with Iverhart Max and the growth of other product ranges, including products recently launched.

MAIN SOURCES OF RISKS AND UNCERTAINTY FOR THE NEXT SIX MONTH OF THE YEAR

The risk factors to which the Group is exposed, are mentioned in the 2012 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 2013. These risks are likely to occur in the second half of 2013 or during subsequent years.

OPERATIONS WITH RELATED PARTIES

Information on related parties is detailed in Note A15 of 2013 financial statements. No changes or significant impact have appeared in the first half of 2013.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HALF YEARLY CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

in € thousands	Notes	30/06/2013	31/12/2012
Goodwill	**A1**	118,422	122,594
Intangible assets	**A2**	198,858	208,598
Tangible assets	**A3**	169,145	152,110
Other financial assets		5,941	4,458
Investments accounted for by the equity method	**A4**	11,208	11,511
Deferred tax assets		5,029	4,644
Non-current assets		**508,603**	**503,915**
Inventories and work-in-progress	**A5**	137,402	132,238
Trade receivables	**A6**	133,650	111,924
Other financial assets		3,887	240
Other receivables		46,629	39,632
Cash and cash equivalents		32,841	39,749
Held-for-sale assets		-	-
Current assets		**354,409**	**323,783**
Assets		**863,012**	**827,698**
Share capital		10,573	10,573
Reserves attributable to the owners of the parent company		340,231	335,596
Capital and reserves attributable to the owners of the parent company		**350,804**	**346,169**
Non-controlling interests		54,124	52,247
Equity		**404,928**	**398,416**
Deferred tax liabilities		33,312	33,239
Provisions for employee benefits		9,313	8,716
Other provisions		2,745	3,027
Other financial liabilities	**A7**	206,846	146,543
Other payables		1,406	1,528
Non-current liabilities		**253,622**	**193,053**
Other provisions		487	718
Trade payables	**A8**	65,931	74,036
Other financial liabilities	**A7**	40,391	27,146
Other payables		97,653	134,329
Current liabilities		**204,462**	**236,229**
Liabilities		**863,012**	**827,698**

Income statement

in € thousands	Notes	30/06/2013	30/06/2012	Variation
Revenue from ordinary activities	**A9**	**371,968**	**349,430**	***6.4%***
Consumed purchases		-115,920	-108,726	
External expenses		-78,820	-74,168	
Personnel costs		-99,528	-92,725	
Taxes and duties		-8,001	-7,506	
Depreciations and provisions		-13,548	-10,616	
Other operating income and expenses		79	77	
Operating profit from ordinary activities		**56,230**	**55,766**	***0.8%***
Other non-recurring income and expenses	**A10**	-1,843	1,126	
Operating result		**54,387**	**56,892**	***-4.4%***
Financial income and expenses	**A11**	-2,867	-1,396	
Result before tax		**51,520**	**55,496**	***-7.2%***
Income tax	**A12**	-14,879	-17,151	
Share from companies' result accounted for by the equity method		-307	-16	
Result for the period		**36,334**	**38,329**	***-5.2%***
attributable to the owners of the parent company		32,605	37,932	*-14.0%*
attributable to non-controlling interests		3,729	397	*839.3%*
Result attributable to the owners of the parent company, per share	**A13**	3.87 €	4.50 €	*-14.0%*
Result attributable to the owners of the parent company, diluted per share	**A13**	3.87 €	4.50 €	*-14.0%*

Comprehensive income statement

in € thousands	30/06/2013	30/06/2012	Variation
Result for the period	**36,334**	**38,329**	***-5.2%***
Conversion gains and losses	-13,757	4,820	
Effective portion of gains and losses on hedging instruments	47	-844	
Other items of comprehensive income - recyclable part	**-13,710**	**3,976**	
Actuarial gains and losses	-372	-	
Other items of comprehensive income - not recyclable part	**-372**	**-**	
Other items of comprehensive income (before tax)	**-14,082**	**3,976**	***-454.2%***
Tax on other items of comprehensive income	-16	290	
Tax on other items of comprehensive income	154	-	
Comprehensive income	**22,390**	**42,595**	***-47.4%***
attributable to the owners of the parent company	20,510	42,205	*-51.4%*
attributable to non-controlling interests	1,880	390	*382.1%*

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 December 2011	**10,893**	**6,534**	**235,526**	**916**	**57,516**	**311,385**	**2,481**	**313,866**
2011 allocation of net result	-	-	57,516	-	-57,516	**-**	-	**0**
Distribution of dividends	-	-	-14,748	-	-	**-14,748**	-1,302	**-16,050**
Treasury shares	-320	-	-229	-	-	**-549**	-	**-549**
Scope movements	-	-	-9,646	-	-	**-9,646**	50,394	**40,748**
Other variations	-	-	-	-	-	**0**	-	**0**
Comprehensive income	-	-	-1,361	-5,537	66,625	**59,727**	674	**60,401**
Equity at 31 December 2012	**10,573**	**6,534**	**267,058**	**-4,621**	**66,625**	**346,169**	**52,247**	**398,416**
2012 allocation of net result	-	-	66,625	-	-66,625	**0**	-	**0**
Distribution of dividends	-	-	-16,009	-	-	**-16,009**	-3	**-16,012**
Treasury shares	-	-	134	-	-	**134**	-	**134**
Scope movements	-	-	-	-	-	**0**	-	**0**
Other variations	-	-	-	-	-	**0**	-	**0**
Comprehensive income	-	-	-187	-11,908	32,605	**20,510**	1,880	**22,390**
Equity at 30 June 2013	**10,573**	**6,534**	**317,621**	**-16,529**	**32,605**	**350,804**	**54,124**	**404,928**

For information, changes in equity of the first half of 2012 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 December 2011	**10,893**	**6,534**	**235,526**	**916**	**57,516**	**311,385**	**2,481**	**313,866**
2011 allocation of net result	-	-	57,516	-	-57,516	**0**	-	**0**
Distribution of dividends	-	-	-14,748	-	-	**-14,748**	-574	**-15,322**
Treasury shares	-320	-	685	-	-	**365**	-	**365**
Scope movements	-	-	-1,536	-	-	**-1,536**	-311	**-1,847**
Other variations	-	-	-	-	-	**0**	-	**0**
Comprehensive income	-	-	-554	4,827	37,932	**42,205**	390	**42,595**
Equity at 30 June 2012	**10,573**	**6,534**	**276,889**	**5,743**	**37,932**	**337,671**	**1,986**	**339,657**

Cash flow statement

in € thousands	30/06/2013	30/06/2012
Result for the period	**36,334**	**38,329**
Elimination of share from companies' result accounted for by the equity method	307	16
Elimination of depreciations and provisions	14,092	11,526
Elimination of change in deferred taxes	303	1,239
Elimination of gains and losses on disposals	192	-2,232
Other non-cash income and expenses	2,190	1,012
Cash flow	**53,418**	**49,890**
Impact of net change in inventories	-12,045	-4,900
Impact of net change in trade receivables	-26,196	-16,000
Impact of net change in trade payables	-6,378	1,929
Impact of net change in other receivables and payables	-28,260	-14,702
Impact of change in working capital requirement	**-72,879**	**-33,673**
Net financial interests paid	2,596	1,332
Net cash flow generated by operating activities	**-16,865**	**17,549**
Acquisitions of intangible assets	-2,385	-2,757
Acquisitions of tangible assets	-28,370	-12,330
Disposals of intangible and tangible assets	233	90
Change in financial assets	-3,330	-553
Change in debts relative to acquisitions	-12,420	-
Acquisitions of subsidiaries or businesses	0	-1,812
Disposals of subsidiaries or businesses	0	2,452
Dividends received	0	-
Net cash allocated to investing activities	**-46,272**	**-14,910**
Dividends paid by the parent company	-16,009	-14,748
Dividends paid to the non-controlling interests	-288	-466
Change in treasury shares	-476	-168
Capital increase/reduction	0	-
Debt issues	81,889	53,534
Debt repayments	-2,353	-8,718
Net financial interests paid	-2,596	-1,332
Net cash from financing activities	**60,167**	**28,102**
Change in cash position	**-2,970**	**30,741**

Statement of change in cash position

in € thousands	30/06/2013	30/06/2012
Cash and cash equivalents	39,749	23,826
Bank overdrafts	-9,590	-10,830
Accrued interests not yet matured	-28	-38
Opening net cash position	**30,131**	**12,958**
Cash and cash equivalents	32,841	53,125
Bank overdrafts	-7,470	-8,783
Accrued interests not yet matured	-17	-26
Closing net cash position	**25,354**	**44,316**
Impact of conversion adjustments	-1,807	617
Change in cash position	**-2,970**	**30,741**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATMENTS

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.
The Virbac share was listed on the Paris stock exchange in section A 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 2013 condensed half-year consolidated financial statements were approved by the executive board on 29 August 2013.

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

Significant events for the period

There is no significant event to be reported relating to the first half of 2013.

Significant events after the closing date

There is no post-balance sheet event.

Scope of consolidation

The condensed consolidated financial statements as at 30 June 2013 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 A16.

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, 2013, are presented and have been prepared in accordance with standard IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not 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, 2012.
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 2012.

For the presentation of the condensed consolidated financial statements as of June 30, 2013, the Group applied all the standards and interpretations in force at European level applicable for fiscal years beginning on January 1st, 2013. These standards and interpretations are as follows:

- IFRS 13, "fair value measurement", applicable to periods beginning on or after 1 January 2013;
- amendment to IFRS 1, "serious hyperinflation and removal of fixed adoption dates for new adoptions";
- amendment to IFRS 1, "government loans", applicable to periods beginning on or after 1 January 2013;
- amendment to IFRS 7, "information to be provided - offsetting financial assets and financial liabilities", applicable to periods beginning on or after 1 January 2013;
- amendment to IAS 1, "presentation of other elements of comprehensive income", applicable to periods beginning on or after 1 July 2012;
- amendment to IAS 12, "recovery of underlying assets", applicable to periods beginning on or after 1 January 2013;
- amendment to IAS 19, "employee benefits", applicable to periods beginning on or after 1 January 2013;
- annual improvements (2009-2011), "annual improvement of IFRS published in May 2012", applicable to periods beginning on or after 1 January 2013;
- IFRIC 20, "stripping costs in the production phase of a surface mine", applicable to periods beginning on or after 1 January 2013.

Application of these new standards has not had a significant impact on the half yearly 2013 condensed consolidated accounts, excepted amendment to IAS 19 applied by anticipation by the Group in the 2012 consolidated accounts.

On the end date of these consolidated accounts, the following standards and interpretations were adopted by the European Union and applicable by anticipation:

- IFRS 10, "consolidated financial statements", applicable to periods beginning on or after 1 January 2014;
- IFRS 11, "joint arrangements", applicable to periods beginning on or after 1 January 2014;
- IFRS 12, "related party disclosures", applicable to periods beginning on or after 1 January 2014;
- amendments to IFRS 10, 11, 12, "transition guidance", applicable to periods beginning on or after 1 January 2014;
- amendment to IAS 27, "separate financial statements", applicable to periods beginning on or after 1 January 2014;
- amendment to IAS 28, "investments in associates and joint ventures", applicable to periods beginning on or after 1 January 2014;
- amendment to IAS 32, "offsetting of financial assets and financial liabilities", applicable to periods beginning on or after 1 January 2014.

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 2013 full year financial statements.

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:

- amendments to IFRS 10, 12 and IAS 27, "investment entities", applicable to periods beginning on or after 1 January 2014;
- IFRIC 21, "levies", applicable to periods beginning on or after 1 January 2014;
- IFRS 9, "financial instruments", applicable to periods beginning on or after 1 January 2015.

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.

Consolidation rules

Consolidation methods

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 2013 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 US dollar.
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. The 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 reciprocal transactions between the Group's companies consolidated 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.

A1. Goodwill

in € thousands	Value as at 31/12/2012	Increases	Sales	Impairment of value	Adjustment of provisional values	Transfers	Conversion gains & losses	Value as at 30/06/2013
Italy	**1,585**	-	-	-	-	-	-	**1,585**
Denmark	**4,643**	-	-	-	-	-	-	**4,643**
Leishmaniosis vaccine	**5,421**	-	-	-	-	-	-	**5,421**
Greece	**1,358**	-	-	-	-	-	-	**1,358**
Colombia	**2,530**	-	-	-	-	-	-145	**2,385**
India	**15,617**	-	-	-	-	-	-979	**14,638**
United States	**47,218**	-	-	-	-	-	397	**47,615**
Australia	**3,282**	-	-	-	-	-	-279	**3,003**
Peptech	**3,879**	-	-	-	-	-	-329	**3,550**
Stockguard	**15,449**	-	-	-	-	-	-822	**14,627**
Chile	**18,884**	-	-	-	-1,227	-	-731	**16,926**
Other CGUs	**2,728**	-	-	-	-	-	-58	**2,670**
Goodwill	**122,594**	**-**	**-**	**-**	**-1,227**	**-**	**-2,945**	**118,422**

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

Acquisition of Centrovet

On 23 November 2012, Virbac had signed a deal under which the Group acquired a majority stake in Centrovet, the market leader in animal health in Chile.

The operation constituted a business combination within the meaning of IFRS 3 revised. It has been reported as such in the consolidated financial statements of December 2012, in compliance with the partial goodwill method. This goodwill had been calculated on a provisional basis, with the more accurate estimates available for the company at closing date.

In accordance with IFRS 3 revised, which provides for a 12-month delay from the acquisition date to adjust the net value of the acquired assets, the goodwill has been calculated on the basis of definitive data into the consolidated statements of 30 June 2013.

The value of net assets acquired is as follows:

in € thousands	Provisional fair value in the consolidated accounts as at 31 December 2012	Fair value in the consolidated accounts at at 30 June 2013
Intangible assets	96,842	94,520
Tangible assets	13,437	13,336
Inventories and work-in-progress	17,898	17,949
Other operating receivables and payables	18,718	17,931
Cash and cash equivalents	4,185	4,009
Provisions	-819	-784
Deferred tax liability	-20,349	-20,227
Borrowings	-23,124	-22,152
Net assets acquired	**106,788**	**104,582**

Consequently, the goodwill is calculated as follows:

in € thousands	Provisional fair value in the consolidated accounts as at 31 December 2012	Fair value in the consolidated accounts at at 30 June 2013
Asset purchase price	46,667	44,706
Share purchase price supplement (share payables) *	26,679	25,557
Estimated share purchase price	**73,346**	**70,263**
Share of fair value of net assets acquired (51%)	54,462	53,337
Goodwill	**18,884**	**16,926**

* A preliminary purchase price complement, amounting to USD 16.8 million, was paid during the period, based on the 2012 local accounts of the acquired company.

Into the above communicated schedules, the values in € are converted with the closing rate of the presented period.
The major impact of revaluation is relating to intangible assets, the value of which were adjusted in the framework of the lattest PPA (Purchase Price Allocation), resulting to an increase of €1,735 thousands at constant exchange rate.

A2. Intangibles assets

in € thousands	Concessions, patents, licences & brands — Undefined life	Concessions, patents, licences & brands — Defined life	Other intangible assets — Defined life	Intangible assets in progress	Intangible assets
Gross value as at 31/12/2012	**123,260**	**107,433**	**38,991**	**5,136**	**274,820**
Acquisitions	78	290	41	1,977	**2,386**
Sales	-	-	-372	-200	**-572**
Changes in scope	-	-	-	-	**-**
Adjustment of provisional values	1,838	-	2	0	**1,840**
Transfers	3,252	-2,913	916	-1,948	**-693**
Conversion gains & losses	-1,737	-6,337	-210	-144	**-8,428**
Gross value as at 30/06/2013	**126,691**	**98,473**	**39,368**	**4,821**	**269,353**
Depreciation as at 31/12/2012	**-6,716**	**-30,648**	**-28,858**	**-**	**-66,222**
Allowances	-	-4,089	-1,822	-	**-5,911**
Reversals	-	-	-	-	**-**
Sales	-	-	372	-	**372**
Changes in scope	-	-	-	-	**-**
Adjustment of provisional values	-	-	-	-	**-**
Transfers	5	795	1	-	**801**
Conversion gains & losses	-1	314	152	-	**465**
Depreciation as at 30/06/2013	**-6,712**	**-33,628**	**-30,155**	**-**	**-70,495**
Net value as at 31/12/2012	**116,544**	**76,785**	**10,133**	**5,136**	**208,598**
Net value as at 30/06/2013	**119,979**	**64,845**	**9,213**	**4,821**	**198,858**

The review of qualitative and quantitative indicators relating to intangible assets did not reveal any indication of impairment from the opening balance sheet.
As at 30 June 2013, the accumulated depreciations amount to €63,783 thousands and the accumulated impairment of value to €6,712 thousands, concerning the undefined life intangible assets only.

A3. Tangible assets

in € thousands	Land	Constructions	Technical facilities, materials & industrial equipment	Other tangible assets	Tangible assets in progress	Tangible assets
Gross value as at 31/12/2012	**18,195**	**120,154**	**106,343**	**22,597**	**23,095**	**290,384**
Acquisitions	2,253	5,367	1,476	1,916	17,310	**28,322**
Sales	-	-	-232	-297	-4	**-533**
Changes in scope	-	-	-	-	-	**-**
Adjustment of provisional values	56	-368	506	-	320	**514**
Transfers	-	997	3,536	-978	-4,699	**-1,144**
Conversion gains & losses	-824	-1,411	-1,556	-537	-352	**-4,680**
Gross value as at 30/06/2013	**19,680**	**124,739**	**110,073**	**22,701**	**35,670**	**312,863**
Depreciation as at 31/12/2012	**-**	**-60,438**	**-62,608**	**-15,228**	**-**	**-138,274**
Allowances	-	-2,810	-3,764	-1,348	-	**-7,922**
Reversals	-	-	80	28	-	**-**
Sales	-	-	193	259	-	**451**
Changes in scope	-	-	-	-	-	**-**
Adjustment of provisional values	-	-343	-401	-	-	**-744**
Transfers	-	-94	-143	1,253	-	**1,016**
Conversion gains & losses	-	452	820	375	-	**1,646**
Depreciation as at 30/06/2013	**-**	**-63,233**	**-65,824**	**-14,661**	**-**	**-143,718**
Net value as at 31/12/2012	**18,195**	**59,716**	**43,735**	**7,369**	**23,095**	**152,110**
Net value as at 30/06/2013	**19,680**	**61,506**	**44,249**	**8,040**	**35,670**	**169,145**

The increase in this item, including tangible assets in progress, is mainly related to projects of new production units in Mexico and in Chile, as well as the construction of a new production unit at the site of Carros in France.

A4. Share in companies accounted for by the equity method

	Company's individual accounts using quity method					Consolidated accounts	
in € thousands	Balance sheet total	Equity	Net sales	Net result		Share of equity	Share of result
Vetz GmbH (Germany)	2,644	797	-	-	0	378	5
South African company	-	-	-	-	0	1	-
Santa Elena (Uruguay)	10,245	5,580	4,484	474	0	3,611	142
SBC Virbac Limited (Hong Kong)	10,244	4,578	940	-928	0	7,218	-455
Share in companies accounted for by the equity method						**11,208**	**-307**

A5. Inventory and work in progress

in € thousands	Raw materials & supplies	Work in progress	Finished goods & merchandises	Inventories & work in progress
Gross value as at 31/12/2012	**52,734**	**11,596**	**76,489**	**140,818**
Variations	-1,701	1,629	11,998	**11,926**
Changes in scope	-	-	-	**-**
Adjustment of provisional values	-1,315	-	1,244	**-71**
Transfers	-	-	-23	**-23**
Conversion gains & losses	-1,208	7	-3,829	**-5,030**
Gross value as at 30/06/2013	**48,510**	**13,232**	**85,879**	**147,621**
Depreciation as at 31/12/2012	**-1,935**	**-732**	**-5,913**	**-8,580**
Allowances	-1,418	-688	-2,749	**-4,855**
Reversals	450	732	1,953	**3,135**
Changes in scope	-	-	-	**-**
Adjustment of provisional values	-	-	-175	**-175**
Transfers	-	-	23	**23**
Conversion gains & losses	65	-	169	**234**
Depreciation as at 30/06/2013	**-2,838**	**-688**	**-6,692**	**-10,218**
Net value as at 31/12/2012	**50,799**	**10,864**	**70,575**	**132,238**
Net value as at 30/06/2013	**45,672**	**12,544**	**79,186**	**137,402**

A6. Trade receivables

in € thousands	Trade receivables
Gross value as at 31/12/2012	**115,272**
Variations	**26,261**
Changes in scope	**-**
Transfers	**335**
Conversion gains & losses	**-4,826**
Gross value as at 30/06/2013	**137,043**
Depreciation as at 31/12/2012	**-3,348**
Allowances	**-152**
Reversals	**86**
Changes in scope	**-**
Transfers	**-21**
Conversion gains & losses	**42**
Depreciation as at 30/06/2013	**-3,393**
Net value as at 31/12/2012	**111,924**
Net value as at 30/06/2013	**133,650**

A7. Other financial liabilities

Change in other financial liabilities

in € thousands	31/12/2012	Increases	Decreases	Changes in scope	Transfers	Conversion gains & losses	30/06/2013
Loans	**144,646**	73,000	-384	-	-10,898	-706	**205,659**
Bank overdrafts	**-**	-	-	-	-	-	**-**
Accrued interests not yet matured	**-**	-	-	-	-	-	**-**
Debt relating to leasing contracts	**840**	1,033	-	-	-918	-3	**952**
Employee benefit sharing	**16**	1	-11	-	-	-	**6**
Derivative exchange and interest rate instruments	**1,041**	-	-812	-	-	-	**229**
Others	-	-	-	-	-	-	**-**
Other non-current financial liabilities	**146,543**	**74,034**	**-1,206**	**-**	**-11,816**	**-709**	**206,846**
Loans	**15,994**	7,791	-1,141	-	10,898	-2,027	**31,515**
Bank overdrafts	**9,590**	-	-2,004	-	-	-116	**7,470**
Accrued interests not yet matured	**28**	-	-11	-	-	-	**17**
Debt relating to leasing contracts	**570**	-	-484	-	918	8	**1,013**
Employee benefit sharing	**546**	65	-334	-	-	11	**287**
Derivative exchange and interest rate instruments	**418**	-	-329	-	-	-	**89**
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other non-current financial liabilities	**27,146**	**7,855**	**-4,303**	**-**	**11,816**	**-2,124**	**40,391**
Other financial liabilities	**173,689**	**81,890**	**-5,509**	**-**	**-**	**-2,833**	**247,237**

The increase of the loans mainly corresponds to drawdowns on the credit lines which aim at financing the opeations of external growth.

Others financial liabilities by maturity

June 30th, 2013

in € thousands	Maturity			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	31,515	205,659	-	**237,174**
Bank overdrafts	7,470	-	-	**7,470**
Accrued interests not yet matured	17	-	-	**17**
Debt relating to leasing contracts	1,013	952	-	**1,965**
Employee benefit sharing	287	6	-	**293**
Derivative exchange and interest rate instruments	89	229	-	**318**
Others	-	-	-	**-**
Other financial liabilities	**40,391**	**206,846**	**-**	**247,237**

December 31rst, 2012

in € thousands	Maturity			Total
	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	15,994	144,646	-	**160,640**
Bank overdrafts	9,590	-	-	**9,590**
Accrued interests not yet matured	28	-	-	**28**
Debt relating to leasing contracts	570	840	-	**1,410**
Employee benefit sharing	546	16	-	**562**
Derivative exchange and interest rate instruments	418	1,041	-	**1,459**
Others	-	-	-	**0**
Other financial liabilities	**27,146**	**146,543**	**-**	**173,689**

A8. Trade payables

in € thousands	31/12/2012	Variations	Changes in scope	Transfers	Conversion gains & losses	30/06/2013
Current trade payables	**73,864**	-7,713	-	890	-1,228	**65,813**
Payables on intangible assets	**49**	-	-	-	-6	**43**
Payables on tangible assets	**123**	-48	-	-	-	**75**
Trade payables	**74,036**	**-7,761**	**-**	**890**	**-1,234**	**65,931**

A9. Revenue from ordinary activities

in € thousands	30/06/2013	30/06/2012	*Variation*
Sales of finished goods and merchandise	406,658	384,418	*5.8%*
Services	149	20	*645.6%*
Additional income from activity	1,076	631	*70.5%*
Royalties paid	265	51	*420.5%*
Gross sales	**408,148**	**385,120**	***6.0%***
Discounts, rebates & refunds on sales	-29,104	-29,007	*0.3%*
Expenses deducted from sales	-5,328	-4,877	*9.2%*
Settlement discounts	-1,581	-1,738	*-9.1%*
Provision for returns	-167	-68	*145.8%*
Expenses deducted from sales	**-36,180**	**-35,690**	***1.4%***
Revenue from ordinary activities	**371,968**	**349,430**	***6.5%***

A10. Others non-recurring income and expenses

June 30th, 2013

in € thousands	30/06/2013
Revaluation of inventories acquired in Chile (purchase accounting method)	-1,843
Other non recurring income & expenses	**-1,843**

The item classified in the others non-recurring income and expenses corresponds to the outflow of inventories which had been revalued at the fair value in the framework of the acquisition of Centrovet.

June 30th, 2012

in € thousands	30/06/2012
Selling price of OTC activities	2,452
Net book value of assets sold	-176
Costs linked to the sale of OTC activities	-1,150
Other non recurring income & expenses	**1,126**

A11. Financial income and expenses

in € thousands	30/06/2013	30/06/2012	*Variation*
Gross cost of financial debt	-3,322	-1,714	*93.8%*
Income from cash & cash equivalents	726	382	*90.0%*
Net cost of financial debt	**-2,596**	**-1,332**	***94.9%***
Foreign exchange losses	-4,176	-2,070	*101.7%*
Foreign exchange gains	3,799	2,245	*69.2%*
Changes in exchange and interest rate derivatives	308	-452	*-168.1%*
Other financial charges	-311	-	*- %*
Other financial income	110	213	*-48.5%*
Other financial income & expenses	**-271**	**-64**	***323.5%***
Financial income & expenses	**-2,867**	**-1,396**	***105.4%***

A12. Income tax

in € thousands	30/06/2013 Base	30/06/2013 Tax		30/06/2012 Base	30/06/2012 Tax
Result before tax	**51,520**		#	**55,496**	
Reprocessing of research tax credit	-3,869			-2,961	
Result before tax, after adjustments	**47,651**		#	**52,535**	
Current tax for French companies	0	-770			-2,478
Current tax for foreign companies	0	-13,806			-13,434
Current tax		**-14,576**	#		**-15,912**
Deferred tax for French companies	0	-1,001			-518
Deferred tax for foreign companies	0	698			-721
Deferred tax		**-303**	#		**-1,239**
Tax accounted for		**-17,151**			**-15,557**
Effective tax rate		*32.65%*			*33.59%*
Theoretical tax rate		*34.43%*			*34.43%*
Theoretical tax		**-16,406**	#		**-18,088**
Difference between theoretical tax and recorded tax		**-1,527**	#		**-937**

In accordance with IAS 34, in the financial statements at 30 June 2013, the tax charge was determined by applying to the profit before tax for the period the average tax rate estimated for the year.

The decrease of the effective tax rate is mainly due to the contribution of the Chilean entities, for which the legal tax rate is 20%.

A13. Result per share

	30/06/2013	30/06/2012
Result attributable to the owners of the parent company	**32,604,347 €**	**37,931,680 €**
Total number of shares	8,458,000	8,458,000
Impact of dilutive instruments	N.A.	N.A.
Number of treasury shares	29,345	28,057
Outstanding shares	8,428,655	8,429,943
Result attributable to the owners of the parent company, per share	**3.87 €**	**4.50 €**
Result attributable to the owners of the parent company, diluted per share	**3.87 €**	**4.50 €**

Treasury shares

As at June 30, 2013, Virbac held treasury shares intended to supply plans to award performance shares. The amount of these shares is recorded as a reduction of equity.
Some plans being matured during the period, employees have exercised their rights. As at June 30, 2013, the number of shares amounted to 29,345 (against 28,057 shares as at June 30, 2012) for a total of €4 035 thousands.

A14. Operating segments

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 markeing 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, 2013

in € thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	65,378	87,785	65,229	57,270	43,205	42,316	10,786	**371,968**
Operating result	6,806	6,781	12,969	14,198	4,729	7,231	1,673	**426,355**
Result attributable to the owners of the parent company	4,569	4,844	4,466	9,479	3,031	4,964	1,251	**32,605**
Non-controlling interests	3	-	3,726	-	-	-	-	**3,729**
Consolidated result	**4,572**	**4,844**	**8,191**	**9,479**	**3,031**	**4,964**	**1,251**	**36,334**

June 30th, 2012

in € thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	65,293	99,069	27,937	57,927	43,228	43,777	12,199	**349,430**
Operating result	11,796	9,656	2,873	17,186	5,456	7,999	1,926	**56,892**
Result attributable to the owners of the parent company	7,925	6,349	1,910	10,961	3,887	5,562	1,338	**37,932**
Non-controlling interests	7	390	-	-	-	-	-	**397**
Consolidated result	**7,932**	**6,739**	**1,910**	**10,961**	**3,887**	**5,562**	**1,338**	**38,329**

A15. Information on related parties

Gross executive compensation

June 30th, 2013

	Fixed remuneration (including fringe benefits)	Compensation linked to terms of office for administrators in Group companies	Variable compensation	Total remuneration
Éric Marée	151,844 €	35,200 €	94,737 €	**281,781 €**
Pierre Pagès	103,060 €	33,450 €	56,842 €	**193,352 €**
Christian Karst	101,658 €	22,500 €	50,526 €	**174,684 €**
Michel Garaudet	92,272 €	6,550 €	28,947 €	**127,769 €**
Jean-Pierre Dick	17,991 €	-	8,158 €	**26,149 €**
Total	**466,825 €**	**97,700 €**	**239,210 €**	**803,735 €**

Compensation paid in respect of the 2013 financial half-year corresponds with the fixed compensation paid in 2013, the compensation linked to the offices of the directors in the Group's companies paid in 2013, the variable compensation related to the period and to the benefits in kind awarded in 2013 (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 offices are terminated are as follows:
- Éric Marée: €483,000;
- Pierre Pagès: €404,000;
- Christian Karst: €326,000.

Allocation of stock grants

Since 2006, with authorisation from the shareholders' general meeting, the Virbac executive board has allocatd stock grants to certain Virbac employees and directors and those of its subsidiaries.
These allocations are subject to meeting a performance target linked to the profitability and net debt of the Group, to be found respectively at the end of the 2012 and 2013 financial years.
The stock grants awarded under the 2011 and 2012 amount both to 10,000 shares.

The stock grants awarded to executive board members in 2011 and 2012 were as follows:

	Number of shares 2011 plan	Number of shares 2012 plan
Éric Marée	1,150	1,130
Pierre Pagès	850	850
Christian Karst	820	820
Michel Garaudet	510	510
Total	**3,330**	**3,310**

Sébastion Huron, who was not a member of the executive board at the time the different plans were allocated, received 520 performance shares under the 2012 plan.

A16. Scope of consolidation

Company name	Locality	Country	2013		2012	
			Control	Consolidation	Control	Consolidation
France						
Virbac (parent company)	Carros	France	100.00%	Full	100.00%	Full
Interlab	Carros	France	100.00%	Full	100.00%	Full
Virbac France	Carros	France	100.00%	Full	100.00%	Full
Virbac Distribution	Wissous	France	100.00%	Full	100.00%	Full
Virbac Nutrition	Vauvert	France	100.00%	Full	100.00%	Full
Dog N'Cat International	Vauvert	France	100.00%	Full	100.00%	Full
Bio Véto Test	La Seyne sur Mer	France	100.00%	Full	100.00%	Full
Alfamed	Carros	France	99.70%	Full	99.70%	Full
Europe (excluding France)						
Virbac Belgium SA	Wavre	Belgium	100.00%	Full	100.00%	Full
Virbac Nederland BV *	Barneveld	Netherlands	100.00%	Full	100.00%	Full
Virbac (Switzerland) AG	Glattbrugg	Switzerland	100.00%	Full	100.00%	Full
Virbac Ltd	Bury St. Edmunds	United Kingdom	100.00%	Full	100.00%	Full
Virbac SRL	Milan	Italy	100.00%	Full	100.00%	Full
Virbac Danmark A/S	Kolding	Denmark	100.00%	Full	100.00%	Full
Virbac Pharma Handelsgesellshaft mbH	Bad Oldesloe	Germany	100.00%	Full	100.00%	Full
Virbac Tierarzneimittel GmbH	Bad Oldesloe	Germany	100.00%	Full	100.00%	Full
Virbac SP zoo	Warsaw	Poland	100.00%	Full	100.00%	Full
Virbac Hellas SA	Agios Stefanos	Greece	100.00%	Full	100.00%	Full
Animedica SA	Agios Stefanos	Greece	100.00%	Full	100.00%	Full
Virbac España SA	Barcelone	Spain	100.00%	Full	100.00%	Full
Virbac Österreich GmbH	Vienna	Austria	100.00%	Full	100.00%	Full
Virbac de Portugal Laboratorios Lda	Almerim	Portugal	100.00%	Full	100.00%	Full
Vetz GmbH	Hanover	Germany	23.99%	Equity method	23.99%	Equity method
North America						
Virbac Corporation *	Fort Worth	United States	100.00%	Full	100.00%	Full
PP Manufacturing Corporation	Framingham	United States	100.00%	Full	100.00%	Full

*** Pre-consolidated levels**

Company name	Locality	Country	2013		2012	
			Control	Consolidation	Control	Consolidation
Latin America						
Virbac do Brasil Industria e Comercio Ltda	São Paulo	Brazil	100.00%	Full	100.00%	Full
Virbac Mexico SA de CV	Guadalajara	Mexico	100.00%	Full	100.00%	Full
Laboratorios Virbac Mexico SA de CV	Guadalajara	Mexico	100.00%	Full	100.00%	Full
Inmobiliara Virbac Mexico SA de CV	Guadalajara	Mexico	100.00%	Full	100.00%	Full
Virbac Colombia Ltda	Bogota	Colombia	100.00%	Full	100.00%	Full
Laboratorios Virbac Costa Rica SA	San José	Costa Rica	100.00%	Full	100.00%	Full
Virbac Chile SpA	Santiago	Chile	100.00%	Full	100.00%	Full
Virbac Patagonia Ltda	Santiago	Chile	100.00%	Full	100.00%	Full
Holding Salud Animal SA	Santiago	Chile	51.00%	Full	51.00%	Full
Centro Veterinario y Agricola Limitada	Santiago	Chile	51.00%	Full	51.00%	Full
Farquimica SpA	Santiago	Chile	51.00%	Full	51.00%	Full
Bioanimal Corp SpA	Santiago	Chili	51.00%	Full	- %	-
Productos Quimico Ehlinger	Santiago	Chili	51.00%	Full	- %	-
Centrovet Inc	Allegheny	United States	51.00%	Full	- %	-
Centrovet Argentina	Buenos Aires	Argentina	51.00%	Full	- %	-
Santa Elena SA	Montevideo	Uruguay	30.00%	Equity method	30.00%	Equity method
Asia						
Virbac Trading (Shanghai) Co. Ltd	Shanghai	China	100.00%	Full	100.00%	Full
Virbac H.K. Trading Limited	Hong Kong	Hong Kong	100.00%	Full	100.00%	Full
Virbac Korea Co. Ltd	Seoul	South Korea	100.00%	Full	100.00%	Full
Virbac (Thailand) Co. Ltd	Bangkok	Thailand	100.00%	Full	100.00%	Full
Virbac Taiwan Co. Ltd	Taipei	Taiwan	100.00%	Full	100.00%	Full
Virbac Philippines Inc.	Pasig City	Philippines	100.00%	Full	100.00%	Full
Virbac Japan Co. Ltd	Osaka	Japan	100.00%	Full	100.00%	Full
Virbac Asia Pacific Co. Ltd	Bangkok	Thaïland	100.00%	Full	100.00%	Full
Virbac Vietnam Co. Ltd	Ho Chi Minh Ville	Vietnam	100.00%	Full	100.00%	Full
Virbac Animal Health India Private Limited	Mumbai	India	100.00%	Full	100.00%	Full
SBC Virbac Limited *	Hong Kong	Hong Kong	49.00%	Equity method	49.00%	Equity method
Pacific						
Virbac (Australia) Pty Ltd *	Milperra	Australia	100.00%	Full	100.00%	Full
Virbac New Zealand Limited *	Auckland	New Zealand	100.00%	Full	100.00%	Full
Africa & Middle East						
Virbac RSA (Proprietary) Ltd *	Centurion	South Africa	100.00%	Full	100.00%	Full

*** Pre-consolidated levels**

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF YEARLY FINANCIAL REPORT 2013

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 30, 2013

Éric Marée

CHAIRMAN OF THE EXECUTIVE BOARD

STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2013

Period from January 1 to June 30, 2013

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional reviewing standards applicable in France.

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, 2013;
- 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.

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.

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 Marseille, August 30, 2013
The Statutory Auditors
French original signed by

Novances - David & Associés
Christian Dechant

Deloitte & Associés
Hugues Desgranges