QUARTERLY FINANCIAL INFORMATION SEPTEMBER, 2013

This report is prepared in narrative form under the terms of implementation of article L451-1-2 of the Monetary and Financial Code issued by the French financial markets authority (AMF).

KEY EVENTS OF THE QUARTER

The Group took early September full control of Santa Elena in Uruguay, in which it held a minority stake of 30% since January 2010.
This acquisition amounted to 12.5 M€ to which potential price adjustments will be added in 2016 and 2017.
This company, settled since over fifty years in Uruguay, has considerable expertise in the development and manufacture of vaccines, mainly cattle, it markets in Uruguay and Latin America countries.
Sales from Santa Elena were included in the scope of consolidation in September for 0.7 M€. The full year impact of this acquisition is estimated to 9.5 M€ of sales and 1.5 M€ of operating income.

SIGNIFICANT EVENTS AFTER THE CLOSING

Not applicable.

GENERAL OVERVIEW OF FINANCIAL SITUATION AND PROFITS

Activity

Consolidated figures (Millions Euros)	3rd quarter	9 months cumulative
2013 provisional Net Sales	**183.4**	**555.4**
2012 Net Sales	179.0	528.4
Change	+ 2,5%	+ 5,1%
Change at constant exchange rate	+ 9,8%	+9,0%
Change at constant scope and exchange rate	**+ 2,1%**	**+0,4%**

As expected by the Group, the third quarter growth shows a certain rebound after the low market dynamics observed in the first half due to the economic environment and to unfavorable weather conditions.
Business evolution during this quarter has been more positive in most regions, with the exception of the USA where sales declined due to a temporary destocking observed in some distributors who have postponed orders until the fourth quarter.
Revenues from companies acquired last year, Centrovet in Chile and Stockguard in New Zealand, keep growing nicely, in line with expectations.

With total year-to-date sales of 555.4 M€ compared to 528.4 M€ last year, Virbac records a +5.1% total growth over 9 months. The Group's performance is strongly impacted by foreign exchange rates as growth would reach 9.0% at constant parities. This evolution reflects an organic growth which has become now slightly positive, +0.4%, and the net impact of recent acquisitions (Chile, New Zealand and Uruguay) and divestments (distribution in OTC channels in Europe).

Turnover breakdown per activity

Consolidated figures	2013 provisional Sales 9 months cumulative	Change 9 months cumulative (Constant rate & scope)	Change 9 months cumulative (Constant rate)
Companion Animals	307,9	-1,0%	-2,9%
Food Producing Animals	234.9	+2,9%	+27,8%
Other businesses	12.6	-3,7%	+37,5%
TOTAL	**555.4**	**+0,4%**	**+9,0%**

- **Companion Animals**

Year-to-date sales at constant scope in the companion animals segment remain, as in the first half, (slightly) declining: -1%. This trend is essentially due to the expected slow-down of CaniLeish in Southern Europe and the decrease of Iverhart in the US and has been even more pronounced, momentarily, due to orders from US distributors being postponed as mentioned previously.

- **Food producing Animals**

Conversely the food producing animals segment enjoys a +2.9% organic growth, a higher growth rate than in the first half and still driven overall by the emerging markets.

- **Other businesses**

These activities, which represent 2.3% of the cumulative sales, correspond to specific and non-strategic activities that cannot be treated as companion animals and food producing animals. These include mainly contract manufacturing performed for third parties in the United States and in Australia.

Perspectives

With the rebound shown in the third quarter, the Group remains confident in its capacity to reach a double digit growth at constant exchange rates

Financial situation

As of September 30, 2013, the Group's net debt amounted to 203.9 M€ vs 133.9 M€ at the end of December 2012. This increase is due to the payment of a price adjustment clause on the Centrovet acquisition, to the acquisition of 70% stake in Santa Elena in Uruguay as well as major capital expenditure projects including new industrial units in France and in Mexico and the extension of Centrovet facilities in Chile.

In the third quarter the Group's net debt, excluding the acquisition of Santa Elena, decreased by 19.5 M€ mainly due to the decrease in working capital.