

Sales growth of 17.1% in the first quarter

Public release – April 15th, 2015

Virbac consolidated sales in the first quarter amounted to 211.4 M€, a +17.1% growth compared to the same period of 2014. This growth was driven by the acquisition of the Sentinel brands in the United States and favored by a positive evolution of the exchange rates. Growth at constant parities has reached +7.0%.

Nevertheless the performance at constant exchange rates and perimeter has been negative, decreasing by 6.1%. As announced, two occasional events have in fact negatively impacted the sales.

On the first hand, the US affiliate has interrupted the manufacturing and deliveries from the Saint Louis (Missouri) facility early this year in order to reinforce and accelerate implementation of its improvement plan in regards of validation and quality assurance processes, after certain weaknesses have been pointed out during a recent inspection by the U.S. regulatory authorities. The actions taken and progress realized made possible the release and shipment of Iverhart Plus on the last week of March and those of Iverhart Max mid-April. The production of some ranges resumes in April and is due to be gradually extended to the majority of the product portfolio in the second quarter. The Sentinel range acquired on January 2nd which is not affected by the above event posted a good start with sales reaching 32 MUS\$.

On the second hand, sales in France were strongly impacted by a decrease of distributors' inventories due to the occasional increase of sales of antibiotics in the fourth quarter of 2014 before the

new legislation on commercial discounts was implemented.

In the other regions the Group realized a good start of the year. Europe excluding France posted a high growth, + 9.8% at constant exchange rates, thanks to the recent launch of parasiticides products for companion animals. The growth has still been steady in emerging countries in particular in Mexico, in Colombia and to a lesser extent in India. The performance has also been good in large markets such as Australia, New Zealand and Japan.

In terms of species, sales in the companion animals segment have globally increased by 20.2% but are down by 12.4% at constant scope due to the difficulties faced in the United States. Excluding United States, organic growth in companion animals is close to 5% in particular thanks to the successful launches of Milpro and Effitix in Europe.

In the food producing animals segment, organic growth reached +4.6%, with a slightly positive growth in the ruminants and the industrial (swine and poultry) sectors.

As for the aquaculture sector, the activity has shown the expected rebound after the 2014 slowdown.



Key figures

NET REVENUE

1st quarter 2015

211.4 M€

TOTAL GROWTH

+17.1%

GROWTH AT CONSTANT EXCHANGE RATES

+7.0%

GROWTH AT CONSTANT SCOPE

-6.1%

Of which :

COMPANION ANIMALS

-12.4%

+4.9% (excluding United States)

FOOD PRODUCING ANIMALS

+4.6%