



## Quarterly report as of September 30, 2010

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).

### **I – Key events of 2010 3rd Quarter**

No major event occurred during the third quarter of 2010.

### **II – General overview of Virbac financial situation and profits**

Consolidated figures (Millions euros)	3 <sup>rd</sup> quarter	9 months cumulative
2010 Provisional Net Sales	154.0	438.1
2009 Net Sales	122.2	347.7
<b>Change</b>	<b>26.1%</b>	<b>26.0%</b>
<b>Change at constant exchange rate</b>	<b>17.6%</b>	<b>18.9%</b>
<b>Change at constant scope and exchange rate</b>	<b>13.0%</b>	<b>13.9%</b>

#### **Activity :**

Virbac's activity kept going vigorously during the third quarter in all geographical areas, still driven by the companion animals business in Europe and the United States and by the food producing animals business in the other regions (emerging countries, Australia). Sales also benefited in certain markets from a stocking impact at distribution level in anticipation of upcoming tariff increases. The combination of a +13% internal growth with the addition of the product ranges acquired from Pfizer in Australia early this year and the weakening of the Euro, resulted in a +26.1% growth rate in the third quarter.

Sales growth year-to-date at comparable exchange rates amounts to +18.9%.

#### **Perspectives :**

When releasing its first half results, Virbac upgraded its full year growth prospects to an 8 to 10% range at constant scope and exchange rates. With the good performance delivered end of September, annual sales growth should significantly exceed this estimate.

**VIRBAC : Passionate about animal health**

NYSE Euronext - Compartiment B - code ISIN : FR0000031577 / MNEMO : VIRP

Corporate finance : tél. 04 92 08 71 32

E-mail : finances@virbac.fr – Site : www.virbac.com



### Debt :

The Group's net debt in the third quarter was down sharply and stand at 28.5M€ compared to 33.8M€ in the third quarter 2009, i.e. a reduction of 5.3M€.

### **III – Turnover breakdown per activity**

<b>Consolidated figures (Millions euros)</b>	<b>Change 9 months cumulative (Constant rate &amp; scope)</b>	<b>Change 9 months cumulative (Constant rate)</b>
Companion Animals	<b>17.4%</b>	<b>17.4%</b>
Food Producing Animals	<b>6.1%</b>	<b>20.1%</b>
Other businesses	<b>44.0%</b>	<b>44.0%</b>
<b>TOTAL</b>	<b>13.9%</b>	<b>18.9%</b>

- **Companion Animals**

Sales in the companion animals segment have increased by +17.4% with on one hand sales of Effipro and Fipronil parasiticides based on Fipronil in Europe and on the other hand the growth of Iverhart, in the United States.

- **Food Producing Animals**

Growth in the food producing animals segment has reached a high level: +20.1% at constant exchange rates due to the contribution of products acquired from Pfizer in Australia. Excluding this acquisition, sales in this segment have increased by +6.1%. In this segment, the Group is still performing well in the bovine sector (+10.6%), while its activity in the industrial sector (swine and poultry) keeps on declining by -4.3% due to the difficult and very competitive situation in the European markets.

- **Other businesses**

These activities, which represent less than 2.5% of total sales correspond to the Group's less strategic markets and include production on behalf of third parties in the United States.

**VIRBAC : Passionate about animal health**

NYSE Euronext - Compartiment B - code ISIN : FR0000031577 / MNEMO : VIRP

Corporate finance : tél. 04 92 08 71 32

E-mail : finances@virbac.fr – Site : www.virbac.com