

2012 ANNUAL RESULTS

SFAF Meeting
March 27, 2013

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1933 - 2013

Vétoquinol
Signe de Passion



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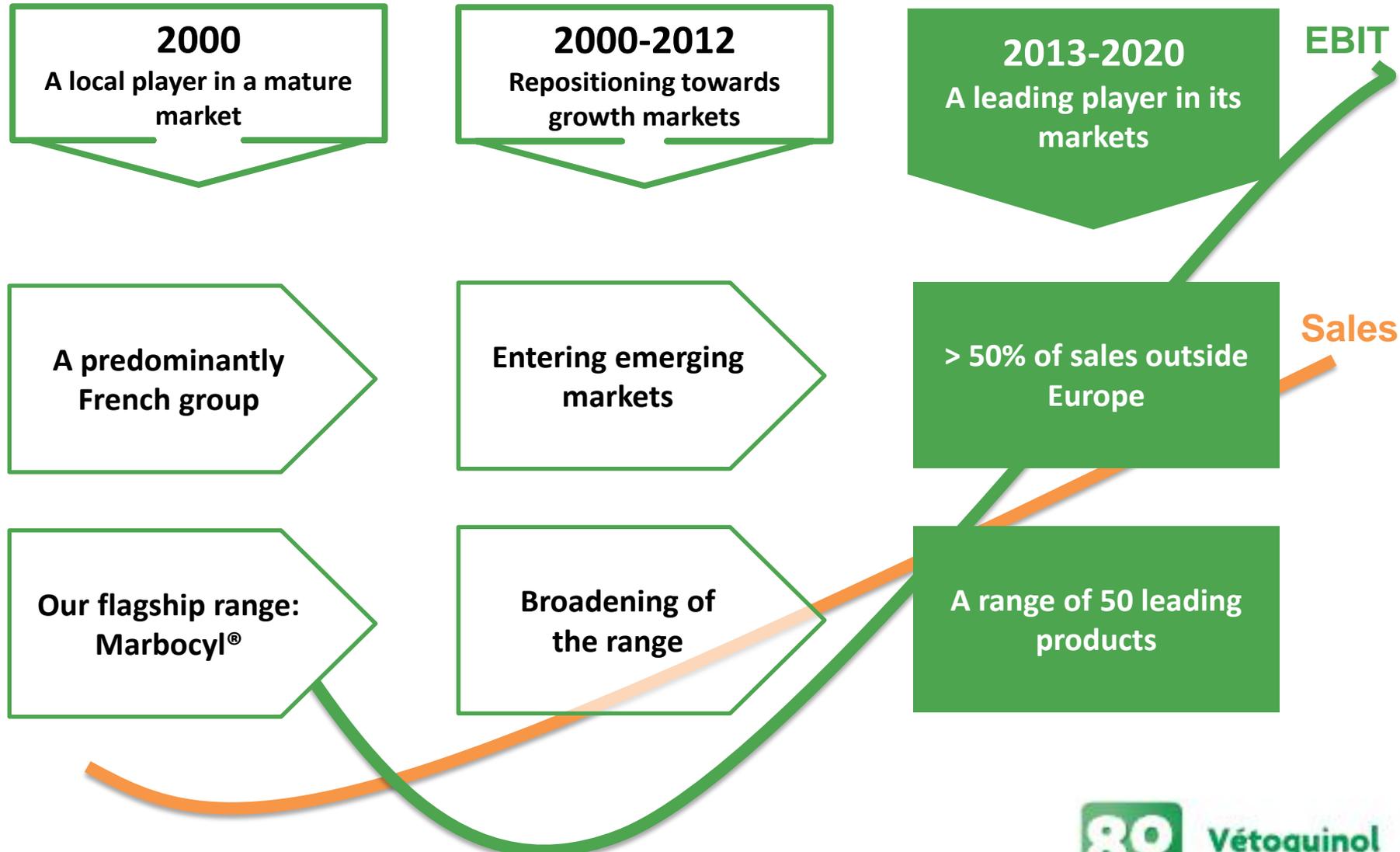




2012 Key figures

> Sales	€298.3m
> EBIT	€31.4m
> Net cash on hand	€30.1m

Transformation well on track





2012,
return
to growth



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A clear strategy and a robust business model

Strong growth outside Europe

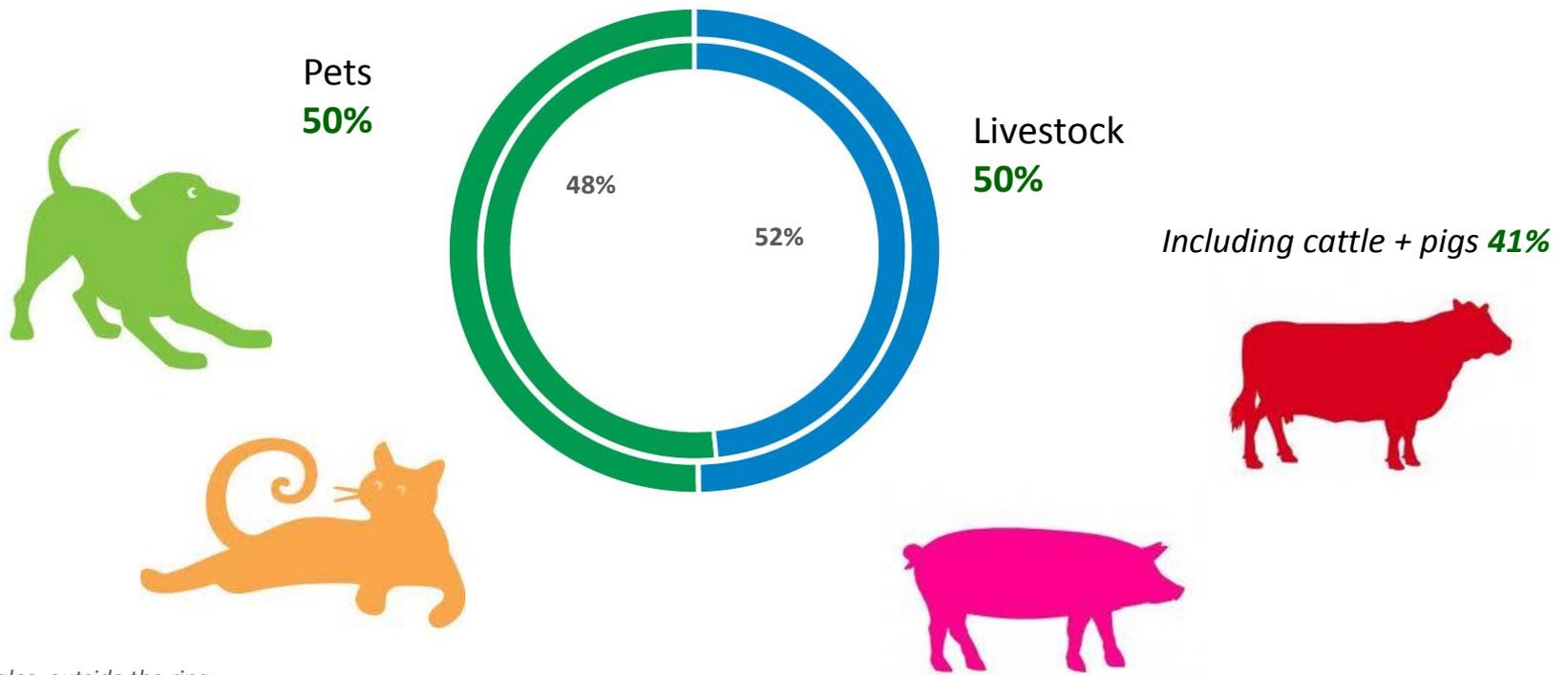
Results driven by globally distributed products



- > **An animal health pure player**
- > **A dynamic balance between species**
- > **A leading player in growth markets**



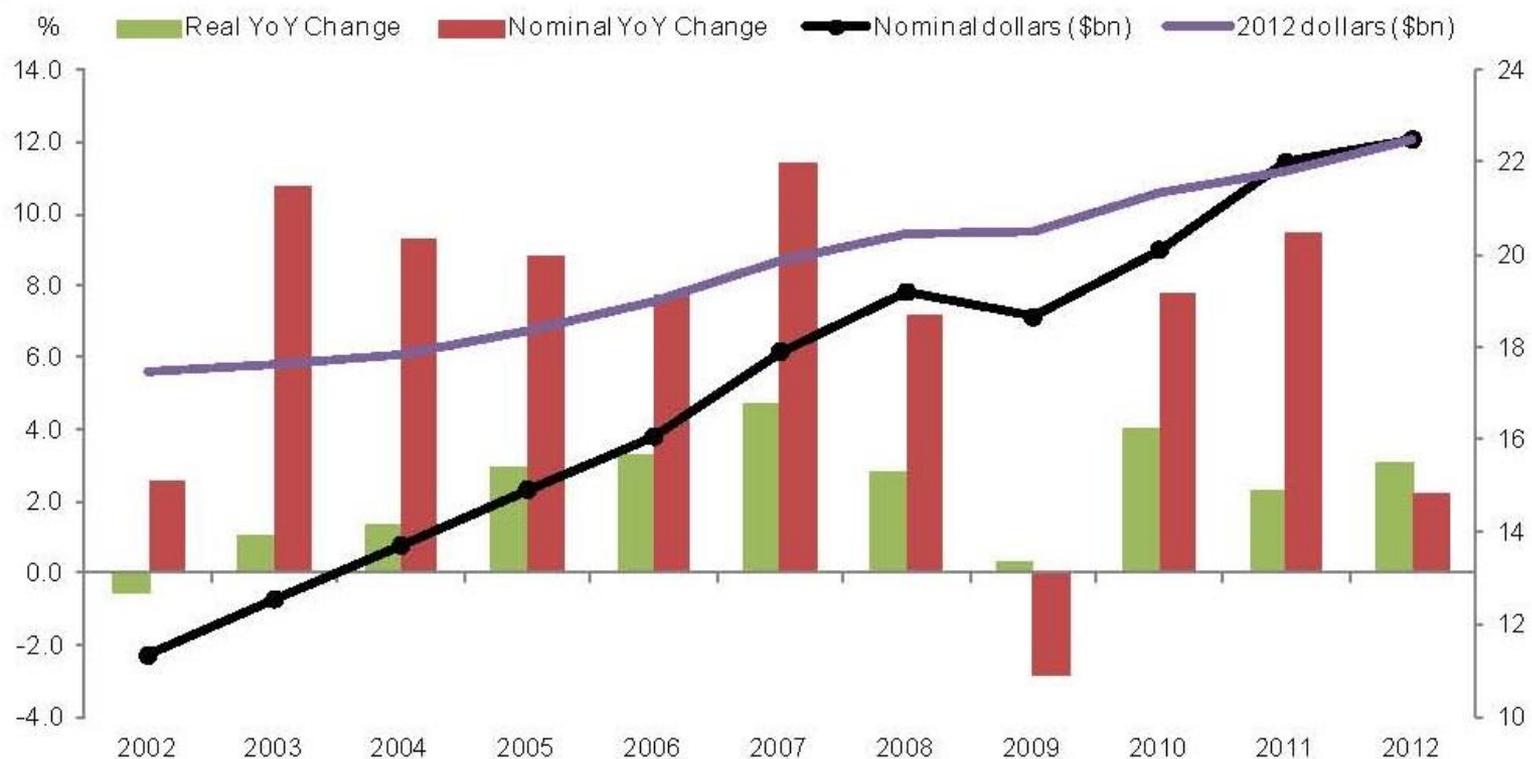
1. A pure player with a balanced mix between species...



2012 sales, outside the ring
2011 sales, inside the ring

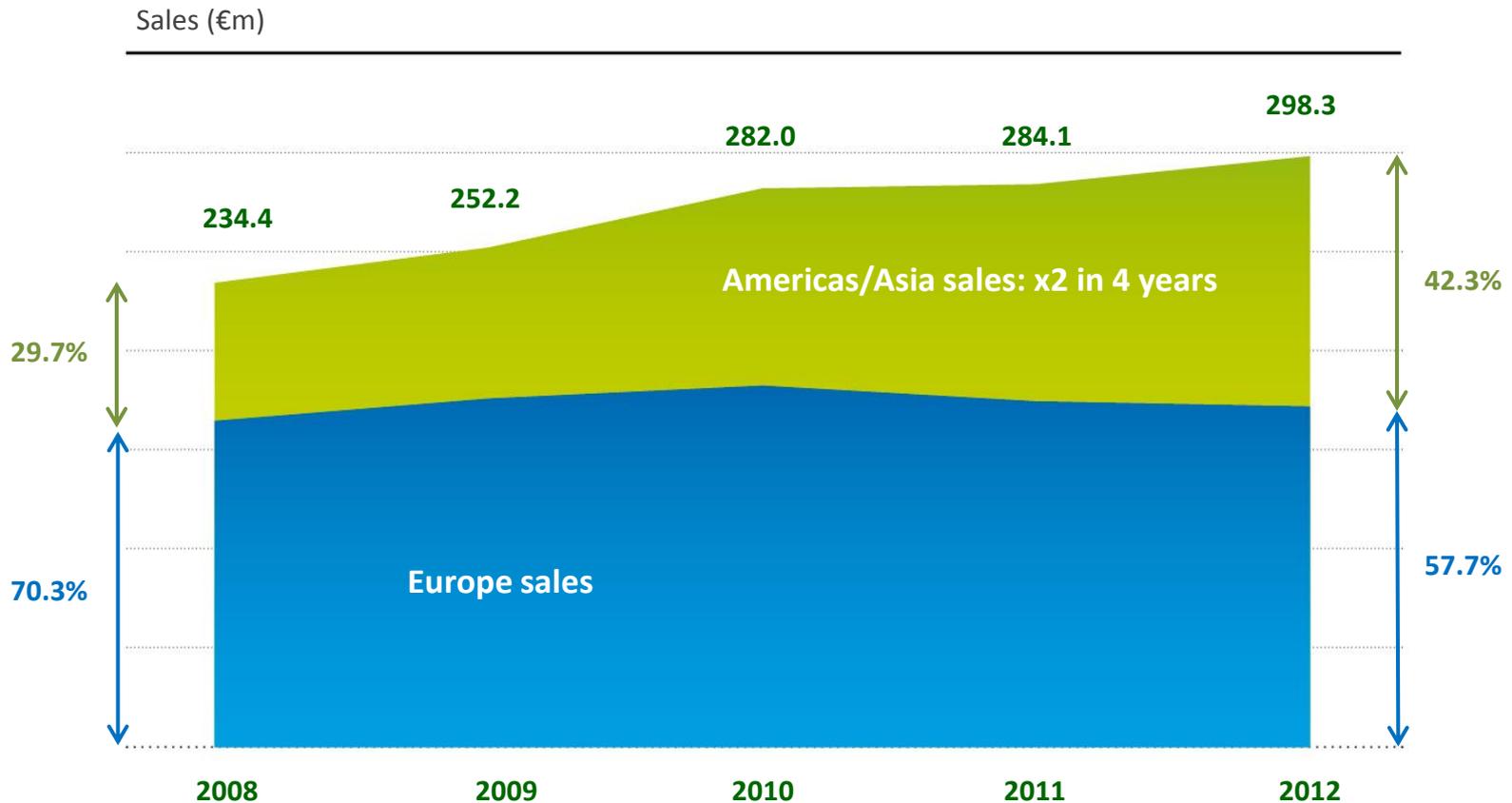
... in a buoyant market

- > \$22.5bn world market growing over the last 10 years
- > **3.1%** market growth in 2012 (volume)



Source: Vetnosis/Vétoquinol

2. Globalization focused on dynamic markets beyond Europe

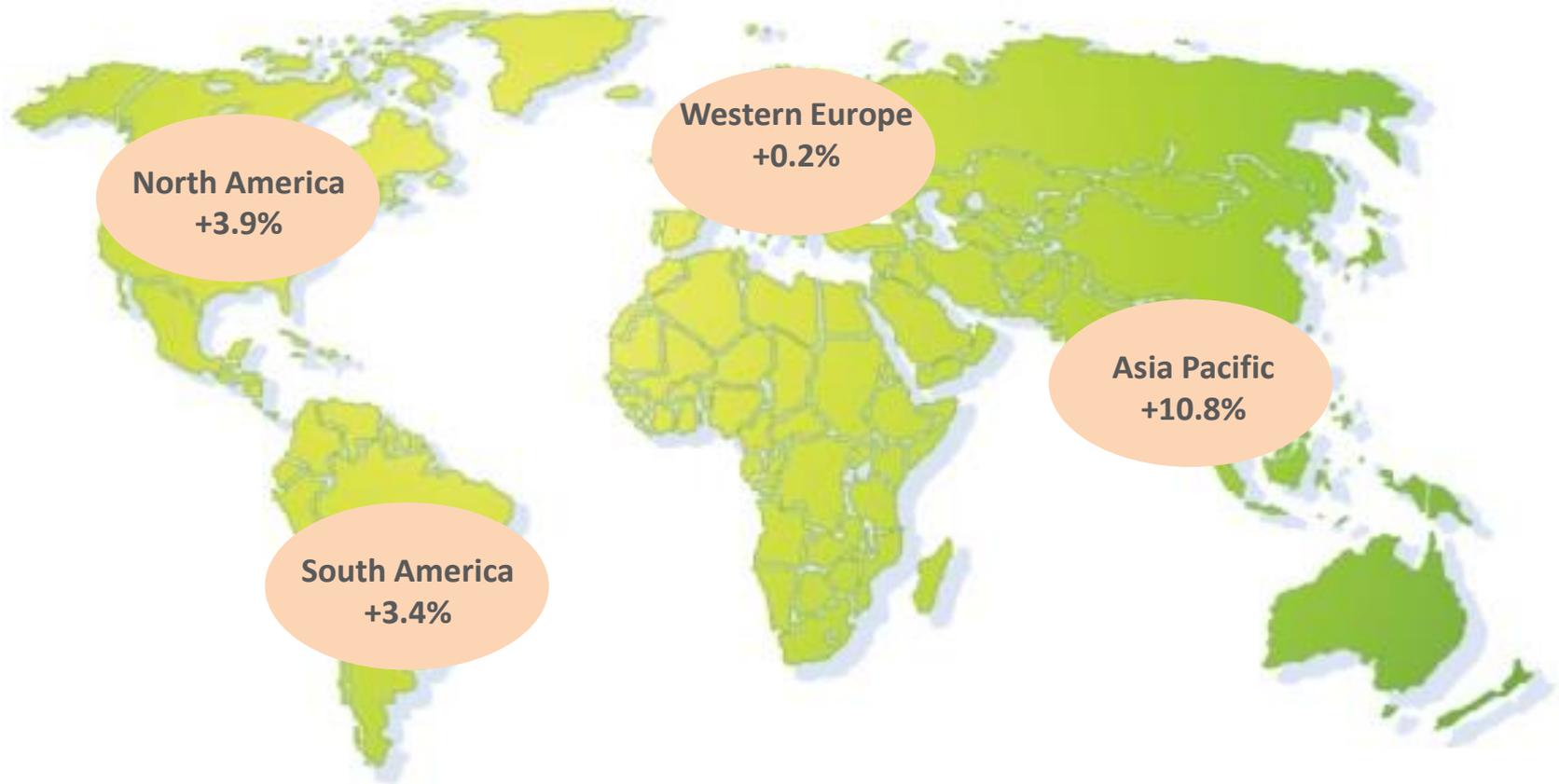


Strong performances in target markets...



Source: Vétquinol, 2012 sales growth

... in line with the market trend



Source: Vetnosis/Vétoquinol, volume growth

Growth accelerators: investments in the United States and BRIC countries



- > **United States**
 - R&D expenditure
 - New products

- > **Brazil**
 - Integration of the subsidiary
 - Registration of Group products

- > **Russia**
 - Setting up our own distribution structure and registering Group products

- > **India**
 - Ongoing growth and development
 - Sales teams expansion

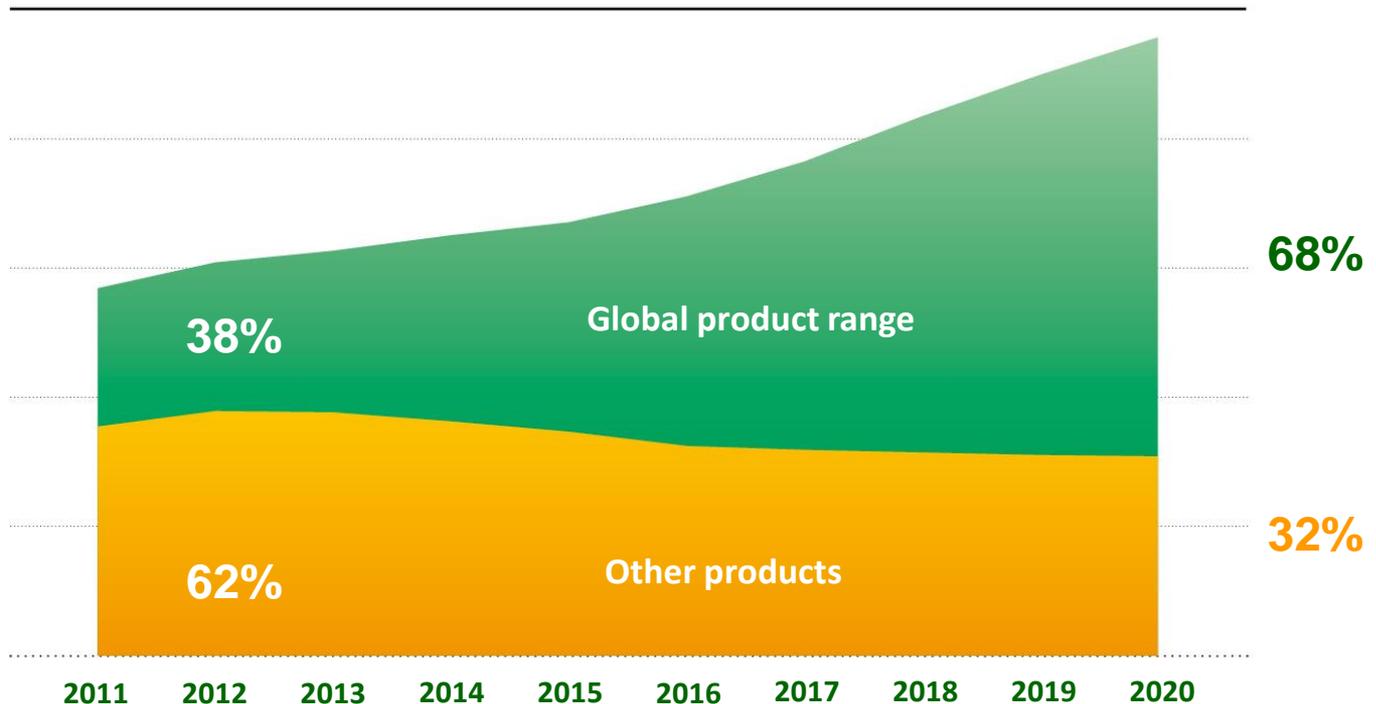
- > **China**
 - Finalization of legal framework
 - 3 market authorizations already obtained





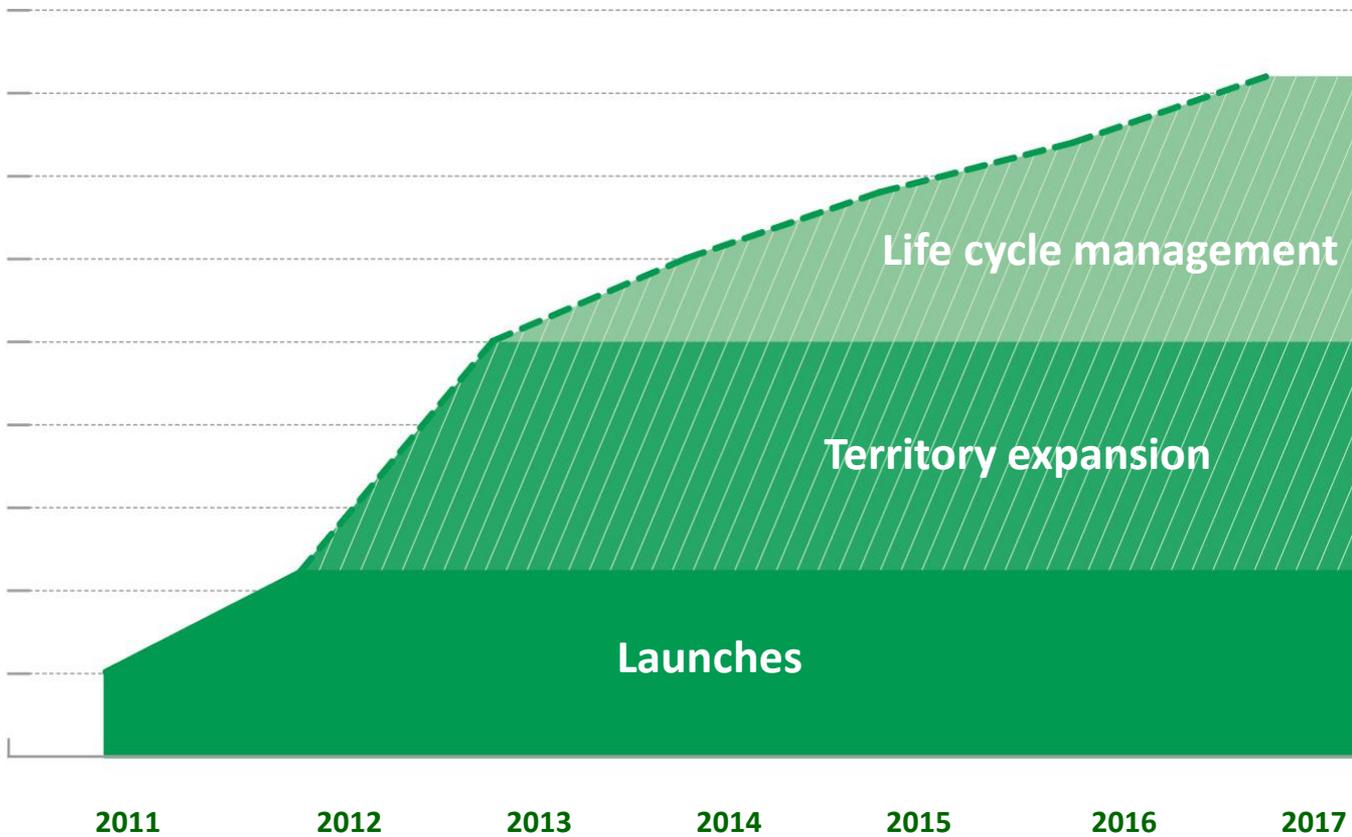
3. Strategy based on a focused range of global products

Vétoquinol sales growth



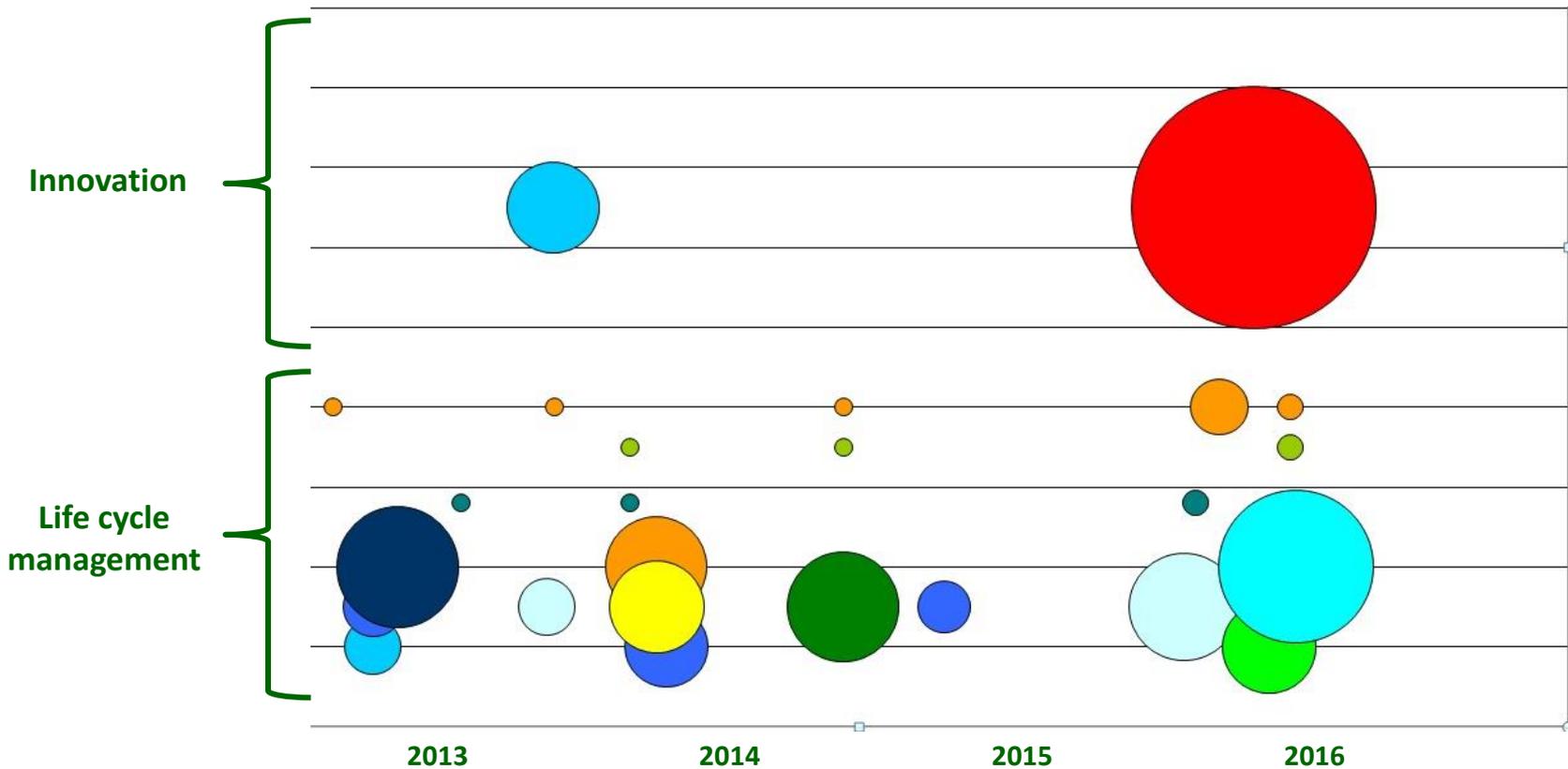


Product life curve





Growth accelerators: new products and new territories



Growth accelerators: external growth

- > Acquisition of Orsco Laboratoire Vétérinaire
 - Independent French business founded in 1993
 - Flagship product: **Zylkène®**
 - ➔ Behavior treatment for dogs & cats
 - ➔ Global product
 - Double-digit growth in world market
 - Zylkène® sold by Vétoquinol Canada since 2010

Zylkène®





4. A strategy bolstered by a solid financial position

> Vétoquinol:

- Strong cash flow generation
- Positive net cash of over **€30m**
- Shareholders' equity of **€228m**
- Large borrowing capacity of **€200m** for external growth

> A sustainable position in a market with strong fundamentals

5. A long-term vision of the animal health market

> An independent, family-based animal health company

- Founded in 1933 → 80th anniversary in 2013
- Third-generation Group management
- An international Group operating in 23 countries



> Clear vision and market positioning

- Strategic balance between pets and livestock
- Identification, development and marketing of drugs and non-medical products
- Globally reputed, market-leading brands



2012 Consolidated financial statements

Income statement

Cash Flow

Working capital

Financial structure

Share price and dividend

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Income statement

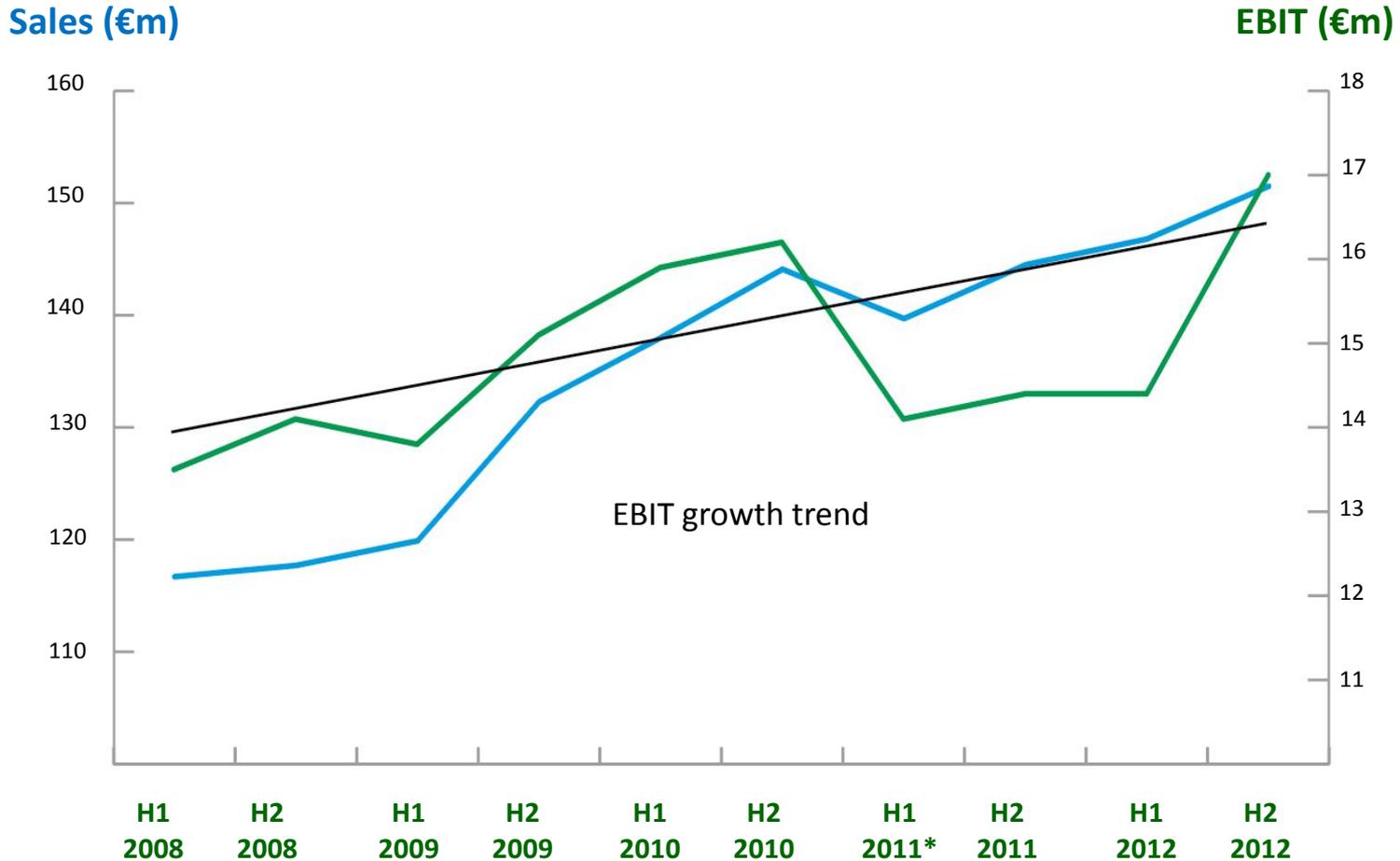
€m	31/12/2012	% of sales	31/12/2011	% of sales	Δ
Sales	298.3		284.1		+5.0%
Gross margin	191.2	64.1	182.0	64.0	+5.0%
External charges	(63.5)	(21.3)	(61.7)	(21.7)	+2.9%
Personnel costs	(85.8)	(28.8)	(80.9)	(28.5)	+6.1%
Taxes and duties	(4.2)	(1.4)	(4.2)	(1.5)	-0.2%
Other income and expenses	5.2	1.8	9.0	3.2	-41.8%
Depreciations, amortization and provisions	(11.5)	(3.9)	(12.4)	(4.4)	-7.4%
EBIT	31.4	10.5	31.8	11.2	-1.8%



Restated income statement

€m	31/12/2012	31/12/2011	Δ
EBIT	31.4	31.8	-1.8%
Commercial dispute indemnity		(5.0)	
Impact on staff profit sharing and incentives		0.7	
M&A costs		0.8	
Restated EBIT	31.4	28.3	+11.0%

2012, return to EBIT growth



Income statement (continued)

€m	31/12/2012	% of sales	31/12/2011	% of sales	Δ
EBIT	31.4	10.5	31.8	11.2	-1.8%
Operating income	31.4	10.5	31.8	11.2	-1.8%
Financial income/(expense)	(0.9)	-0.3	0.2	0.1	N/A
Pre-tax profit	30.6	10.3	32.0	11.3	-4.5%
Corporate income tax	(8.0)	(2.7)	(9.3)	(3.3)	-14.2%
Net income – Group share	22.6	7.6	22.7	8.0	-0.6%
Operating cash flow*	34.9		34.9		

* Operating income plus depreciation and provisions less corporate income tax

Cash flow

€m	31/12/2012	31/12/2011
Net income	22.6	22.7
Free cash flow after cost of net debt and tax	42.8	45.1
Cash flow from operating activities	34.2	30.0
Cash flow from investing activities	(24.8)	(21.1)
Cash flow from financing activities	1.6	1.0
Change in cash and cash equivalents	10.9	8.2

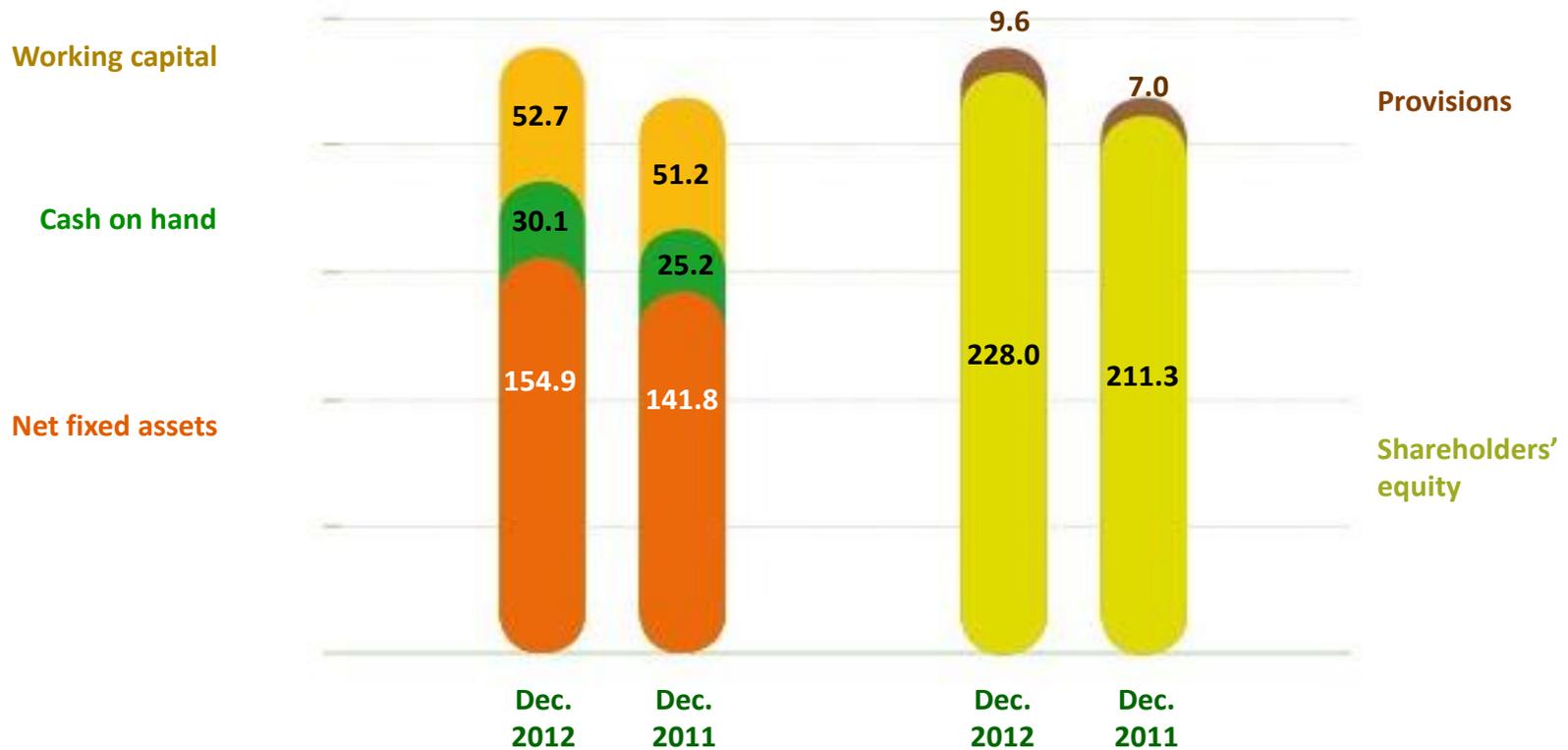


Working capital

€m	31/12/2012	31/12/2011
Inventories	55.3	53.4
Trade and other receivables	59.3	59.5
Trade and other payables	(66.3)	(63.0)
Other working capital	4.3	1.3
Working capital	52.7	51.2

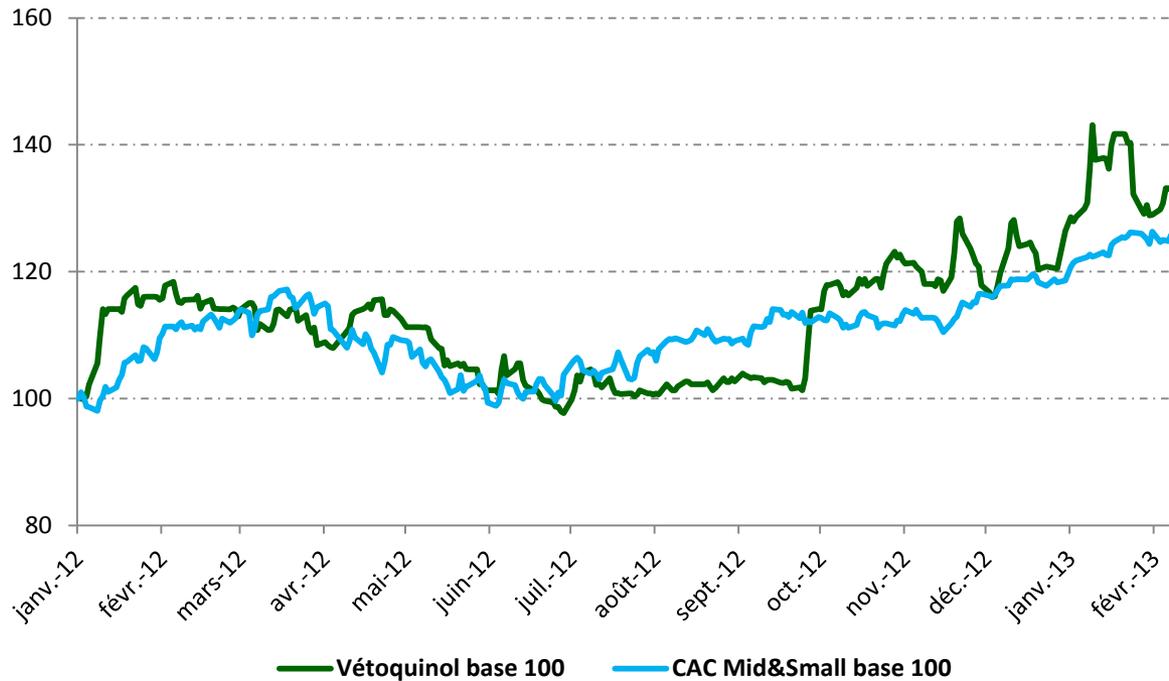
In number of days (by due date)	31/12/2012	31/12/2011
Working capital	63.2	59.2

Strong financial structure

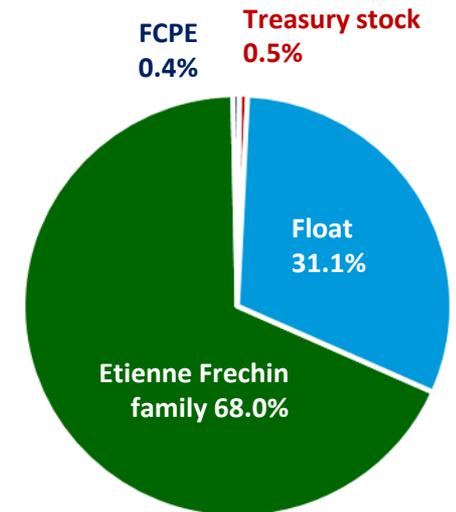




Share price, shareholders and dividend



> Shareholders at December 31, 2012



> The Board of directors will recommend to the shareholders' general meeting scheduled for May 22, 2013

- A net dividend of **€0.35** per share
- An **18.4%** payout





Outlook



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Outlook

- > **New products**
- > **Roll out of group product across strategic markets**
- > **Contribution from Orsco**
- > **Targeted acquisitions**
 - Products and/or companies
- > **Continued sales growth and increase in EBIT**



Reporting timetable

- > **April 16, 2013** **Q1 2013 sales** (after market close)
- > **May 22, 2013** **Shareholders' general meeting**
- > **June 6, 2013** **Dividend payment**
- > **July 16, 2013** **H1 2013 sales** (after market close)
- > **August 29, 2013** **H1 2013 results** (after market close)



Questions and answers





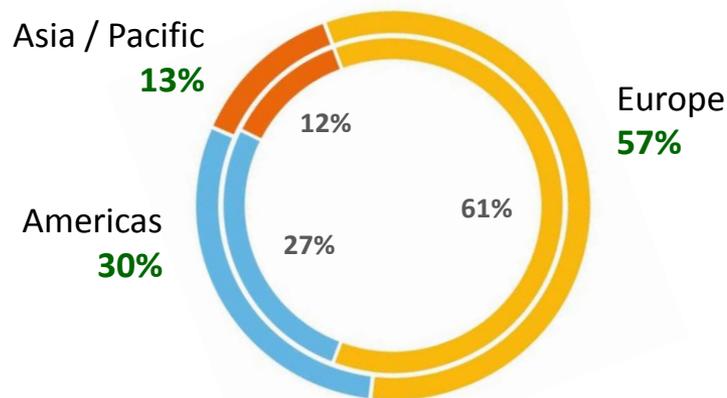
Appendix



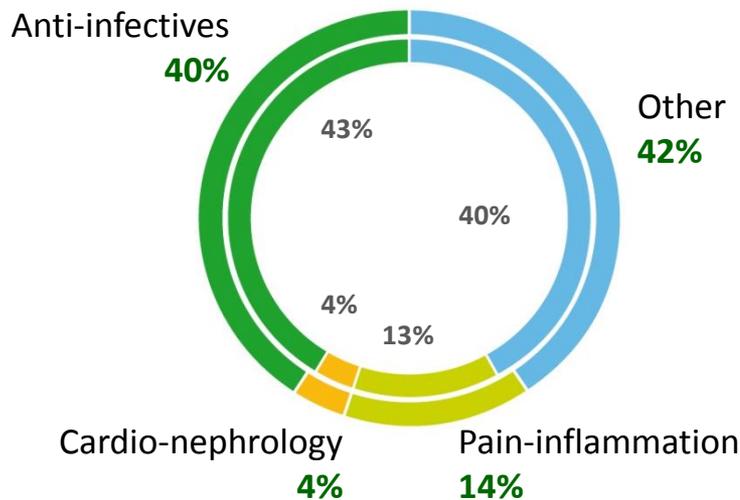


2012 sales breakdown

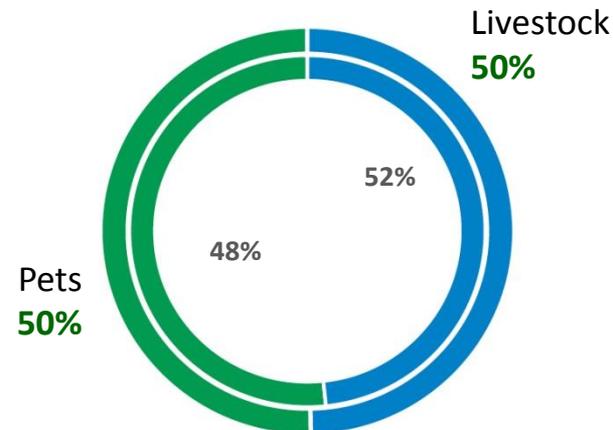
Breakdown by geographical area



Breakdown by therapeutic domain



Breakdown by species





Vétoquinol, no. 10 player in the market

2012 sales (\$m)

Source: Vetnosis/Vétoquinol

