



2011, A YEAR OF TRANSITION

Lure (France), April 03, 2012 – The Vétoquinol Board Meeting of March 26, 2012 has reviewed the Group's business and approved the 2011 financial statements.

<i>In millions of euros</i>	2011	2010	Change
Net sales	284.1	282.0	+0.7%
<i>at constant exchange rates</i>			+1.6%
EBIT	31.8	32.1	-1.8%
<i>as a % of net sales</i>	11.2%	11.4%	
Net income (group share)	22.7	22.3	+2.0%
<i>as a % of net sales</i>	8.0%	7.9%	

Strong resistance to the introduction of Marbocyl[®] generics

In 2011, Vétoquinol Group evidenced its resistance in the midst of a contrasted market thanks to strong performances in the Americas and Asia Pacific zone, the acquisition of the Brazilian subsidiary in June and promising starts for new products launched over the last 12 months, mostly in Europe.

- **Veterinary specialties:** pets grew 1.9% like for like. Large animals were down 2%; excluding Marbocyl[®] effect, large animals also registered growth.
- **Territories:** Asia/Pacific and the Americas registered strong growth. Against a backdrop of generics and less favorable market conditions, Vétoquinol put up a strong resistance in Europe.
- **Therapeutic domains:** the pain/inflammation range showed sustained growth, benefiting mainly from an excellent performance by the new Cimalgex[®] drug. Anti-infectives also turned in a strong performance, registering growth of just under 10% excluding Marbocyl[®] effect.

Excluding the Marbocyl[®] effect, which mainly applies to large animals in Europe, business grew in all strategic territories and across all species.

EBIT margin: 11.2%

2011 EBIT amounted to €31.8 million. The EBIT margin was 11.2%, reflecting Group management's tight control of expenditure and staff costs.

After adjusting for current non-recurring items, i.e. the provision for a €5 million indemnity, the impact of this indemnity on the profit-sharing and related schemes (€0.7 million) and the costs incurred in 2011 in relation to merger and acquisitions activities (€0.8 million), restated EBIT amounted to €28.3 million.

2011 net financial income amounted to €0.2 million, up €2 million on the previous year. This marked improvement was the result of better return on the Group's cash resources and the decrease in the overall interest charge, primarily due to the conversion of the tranche B convertible bonds.

Net income (Group share) amounted to €22.7 million, up 2.0%.

A solid financial structure

The Vétoquinol Group has a very solid financial structure, which was further strengthened in 2011. Net cash and cash equivalents totaled €25.2 million after taking into the Farmagricola acquisition in Brazil.

The Group continued to invest in both R&D (7% of sales) and industrial programs in order to accelerate the renewal of its product range. Also, the Group is actively pursuing opportunities for acquisition as part of its international expansion strategy.

Outlook

"2011 was a difficult year, with the arrival of Marbocyl[®] generics and a less buoyant European market", Vétoquinol CEO Matthieu Frechin explained. "After this year of transition, the ramp-up of new products made possible by our investments in sales and marketing will enable us to return to growth, both in terms of sales volumes and in terms of earnings".

About Vétoquinol

Vétoquinol is an independent veterinary pharmaceutical laboratory serving both the companion and production animal markets. This family-owned group, dedicated exclusively to animal health, is the 10th largest animal healthcare laboratory in the world. More than 80% of its revenues are generated outside France.

Vétoquinol's business includes research and development, production and marketing of medicinal and non-medicinal products. Vétoquinol has positioned itself in the curative sector and has developed expertise in three therapeutic fields: anti-infectives, pain/inflammation and cardiology/nephrology.

The Group currently distributes its products in more than one hundred countries throughout Europe, North America and Asia/Pacific, with subsidiaries in 23 countries and a network of 140 distribution partners. The company has 1,750 employees worldwide.

For more information: www.vetoquinol.com.

OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.

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