

Q1 2017 SALES STABLE AT €86.1 MILLION

Consolidated sales for Q1 2017 amounted to €86.1 million, up 0.4% as reported from the same period last year. Sales were boosted by a 1.8% positive currency impact mainly related to non-European currencies. Q1 sales fell 1.4% like-for-like.

Reference product sales amounted to €38.8 million, up 2.2% as reported. Reference product sales accounted for 45.0% of Group sales in Q1 2017, up from 44.2% the previous year.

It should be noted that, following an in-depth analysis of its product portfolio, the Group revised the reference product base with effect from January 1, 2017. Accordingly, for 2016 around €16.2 million of sales were reclassified from reference products to complementary products, with no impact on total Group sales. The products in question are either not suitable for global marketing or are third-party products distributed by Vetoquinol.

Q1 2017 KEY FIGURES

Total sales
€86.1 million

Reference product sales
€38.8 million (up 2.2%)

Reference product sales
excl. critical antibiotics
up 11.8%

While the decline in sales of critical antibiotics has continued this year, sales of other antibiotics are improving. Given that our range of critical antibiotics is classified under reference products, the decline in first quarter sales impacts reference product sales growth. Excluding critical antibiotics, reference product sales were up 11.8% over the same period.

Sales of companion animal products came to €46.8 million, up 1.9% as reported, while livestock product sales fell 1.3% to €39.4 million.

The Americas and Asia/Pacific regions posted respective reported first-quarter growth of 8.1% and 21.6% and like-for-like growth of 2.3% and 18.3%.

Reported sales in Europe fell sharply, by 9.3%, mainly due to the strong decline in sales of critical antibiotics in the livestock segment.

Vetoquinol Group announces the acquisition of Austrian-based VetCom-pharma on March 22, 2017.

This acquisition enables Vetoquinol to expand its reproduction range of products for cattle and pigs, initially in Europe. Vetcom-Pharma posted 2016 sales of several hundred thousand euros, a performance that Vetoquinol intends to boost considerably. This acquisition enables the Group to reinforce its reference product range. No staff or industrial facilities were taken over as part of this transaction, which was financed with cash.

As of March 31, 2017, no material events had affected the Group's strong balance sheet.

Vetoquinol CEO Matthieu Frechin said: *“In response to the decline in sales of critical antibiotics in Europe, we are developing our range of first-line antibiotics, sales of which are growing. We continue our efforts to expand our other product ranges in order to step up the rebalancing of our business between Europe, the Americas and Asia/Pacific. We have also launched an ambitious capex program of modernizing our main facility in Lure (France). Last but not least, backed by our strong financial structure we remain on the lookout for potential acquisitions. We remain confident that business will grow and profits improve in 2017.”*

€m	2017	2016	Change
Q1 sales	86.1	85.8	+0.4%
Q1 sales At constant exchange rates	84.6	85.8	-1.4%
Q1 sales At constant exchange rates and consolidation scope (like-for-like)	84.6	85.8	-1.4%

Next update: H1 2017 results, July 27, 2017 after market close

About Vetoquinol

Vetoquinol is a leading global player in the animal health sector serving both the livestock (cattle and pigs) and pet (dogs and cats) markets.

As an independent pure player, Vetoquinol designs, develops and sells veterinary drugs and non-medicinal products in Europe, the Americas and the Asia/Pacific region.

Since its foundation in 1933, Vetoquinol has pursued a strategy combining innovation with geographical diversification. The Group's hybrid growth is driven by the reinforcement of its product portfolio coupled with acquisitions in high potential growth markets. Vetoquinol employs 2,084 people.

Vetoquinol has been listed on NYSE Euronext Paris since 2006 (symbol: VETO).



Ranked No. 1 SME (all caps) in the 2016 Gaia Index for its commitment to CSR

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