



SOLID GROWTH IN Q2 2014: 8.8% FIRST HALF NET INCOME UP 4.2%

Lure (France), July 31, 2014 – At its July 30, 2014 meeting, the Vétoquinol S.A. Board of Directors reviewed the Group results and approved the financial statements for the first six months of 2014.

€ million	2014 H1	2013 H1	Change
Sales	149.4	145.5	+2.7%
<i>At constant exchange rates</i>	<i>153.8</i>		<i>+5.7%</i>
EBIT	15.0	14.4	+4.3%
<i>As a % of sales</i>	<i>10.0%</i>	<i>9.9%</i>	
Net income, Group share	10.4	9.9	+4.2%
<i>As a % of sales</i>	<i>6.9%</i>	<i>6.8%</i>	

Continued growth of reference products, up 9.9% vs. previous year

The Vétoquinol Group reported first half 2014 sales of €149.4 million, up 2.7% vs H1 2013. Sales growth was particularly strong in the second quarter at 8.8%.

At constant exchange rates, first half sales amounted to €153.8 million, up 5.7%. First half results were hit by a negative currency impact of €4.4 million, mainly due to the weakening of the US and Canadian dollars, Indian rupee and Brazilian real. At constant exchange rates and consolidation scope (like for like), sales increased by 2.6%. The Bioniche business acquired on April 15, 2014 achieved sales of €4.5 million.

Vétoquinol's reference products, the drivers of its strategy, continued to grow, up 9.9% based on reported data and up 7.1% at constant exchange rates. Reference products accounted for 46.3% of total Group sales in the first half of 2014 compared to 43.3% for the same period last year.

In the Group's strategic territories, first half sales at constant exchange rates rose by 3.3% in Europe, 6.5% in the Americas and 14.4% in Asia Pacific.

Sales of companion animal products increased by 5.6% over this period, while food producing animal products fell slightly (down 0.5%).

EBIT growth of 4.3%

First half EBIT came to €15.0 million, up 4.3% compared with the same period last year. This improvement reflects positive developments in the product mix, tight control of expenditure and the impact of the consolidation of Bioniche as from April 15, 2014.

Operating income amounted to €14.3 million including €0.7 million in non-recurring expenses related to the Bioniche acquisition.

Net financial income for the first half came in at €0.5 million, impacted by higher returns on cash investments and the inclusion of interest expenses related to the Group's two most recent acquisitions.

Net income Group share increased by 4.2% to €10.4 million.

Financial structure remains strong

At June 30, 2014, Group net cash on hand was €5.2 million. This takes into account the impact of the acquisition of the Bioniche animal health division completed on April 15, 2014. Barring acquisitions, the Group's cash balance generally sees a more substantial improvement during the second half of the year.

Group working capital at June 30, 2014 includes the impact of the Bioniche consolidation and the creation of reserve inventories in preparation for the major industrial expenditure program scheduled for the Group's main production facility during the second half of the year.

This highlights the Group's capacity to fund its growth and further evidences the solidity of its financial structure enabling it to pursue its growth strategy.

Confidence in the Group's outlook

"We continue to put our energy into developing our reference products; every half year sees a further improvement in our brands' reputation and the profitability of the Vétoquinol Group continues to grow," Vétoquinol CEO Matthieu Frechin affirmed. "Acquiring the Bioniche Life Sciences Inc. animal health business has allowed us to accelerate our growth in the US market and gain a foothold in Australia. We are confident in our ability to achieve our EBIT growth target in terms of value".

Next update: 2014 Q3 sales, October 23, 2014 after market close

About Vétoquinol

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

An independent pure player, Vétoquinol designs, develops and sells veterinary drugs and non-medicinal products in Europe, the Americas and the Asia Pacific region.

Since its foundation in 1933, Vétoquinol 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. Vétoquinol employs over 1,950 people.

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

For more information: www.vetoquinol.com.

OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.

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