



## REDEMPTION OF TRANCHE A BONDS

February 26, 2010 (Lure, France) - **Following the decision of Soparfin (family holding Etienne Frechin) not to convert the tranche A convertible bonds when they reach maturity on February 27, 2010, Vétoquinol has redeemed the bonds.**

The decision of Soparfin not to convert the bonds is based entirely on the unfavourable state of the stock market on the date of maturity.

The convertible bonds, with a principal value of 20 million euros divided into two equal tranches, were underwritten in February 2003 by two financial investors, who subsequently sold all of the bonds to Soparfin in August 2006. The bonds carried a coupon of 4% in the first year and 5% in the following years, with an additional premium payable in the event of non-conversion.

The total amount of the redemption is 15,870 thousand euros, including the premium for non-conversion, for which provision has been made in the consolidated accounts.

As a result of this cash disbursement, Vétoquinol will benefit from a reduction in its interest expense.

Tranche B, totalling the same amount, will reach maturity on February 27, 2011. Soparfin's decision concerning the conversion of the Tranche B bonds currently remains completely open.

Etienne Frechin, Chairman of the Board of Vétoquinol, commented: "the dynamic management and strong results of the Group have permitted us to redeem the first tranche of our bond issuance at maturity without any problem. Our financial structure remains solid and we reaffirm our commitment to pursuing internal and external growth."

### **About Vétoquinol**

*Vétoquinol is an independent veterinary pharmaceutical laboratory serving both the companion and production animal markets. This family-owned group specialized exclusively in animal health is the 11<sup>th</sup> largest laboratory in the world, and more than 80% of Vétoquinol's revenues come from outside France.*

*Vétoquinol engages in the research and development, production and marketing of medical and nutraceutical 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 one hundred countries throughout Europe, North America and Asia/Pacific, with subsidiaries in 23 different countries and a network of 140 distributor partners. The Company has more than 1,550 employees worldwide.*

**For more information:** [www.vetoquinol.com](http://www.vetoquinol.com).

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## APPENDIX

### Features of the convertible bond issuance

At their Combined Extraordinary and Ordinary General Meeting on 27 February 2003, the shareholders of Vétoquinol SA approved a bond issuance to two financial shareholders with a total principal value of 19,999,993.50 euros, composed of 117,855 bonds with a face value of 169.70 euros each.

The bonds were convertible into common shares, each convertible bond giving the holder the right to 10 Vétoquinol shares, under the following terms:

- Issue in 2 tranches:
  - o Tranche A: 58,928 bonds,
  - o Tranche B: 58,927 bonds.
- Term of the borrowing:
  - o Tranche A: 7 years, maturing on 27 February 2010
  - o Tranche B: 8 years, maturing on 27 February 2011
- Coupon: 4% the first year and 5% in the following years
- Non-conversion premium: 6% per year.