



## 2010 ANNUAL RESULTS SHOW A SOLID PERFORMANCE

Lure (France), April 4, 2011 – Vétoquinol's Board of Directors, meeting on March 18, 2011, has reviewed the Group's business and approved its 2010 financial statements.

<i>In millions of euros</i>	<b>2010</b>	<b>2009</b>	<b>Change</b>
Net sales	<b>282.0</b>	252.2	+11.8%
<i>at constant exchange rates</i>			+7.2%
EBIT	<b>32.1</b>	28.9	+11.1%
<i>as a % of net sales</i>	<b>11.4%</b>	11.5%	
Net income (group share)	<b>22.3</b>	18.2	+22.2%
<i>as a % of net sales</i>	<b>7.9%</b>	7.2%	

### 2010 business outpaces market: +11.8%

The recovery in the global animal health market in 2010 spurred a 7.8% growth vs. 2009<sup>1</sup>. In this context, Vétoquinol's 2010 net sales grew by 11.8% vs. previous year reaching €282.0 million.

- **Veterinary specialties:** pets and livestock net sales grew by 9.1% and by 14.5% respectively vs previous year.
- **Territories:** net sales increased in all territories in 2010; the growth was notably sustained in the Asia/Pacific and Americas zones. Another important feature of 2010 was the successful consolidation of the Italian business, a business which has now reached an active phase of development, as well as and the final stages of the set up of the recently established Indian operations.
- **Therapeutic domains:** Vétoquinol's three strategic fields (anti-infectives, pain/inflammation and cardiology/nephrology) reported a rise of 10.2% in sales over 2009.

### EBIT up 11.1%

EBIT at €32.1 million grew 11.1% and the EBIT to Sales ratio was 11.4% after taking into account forex effects (0.3%), non-recurring items in India (0.2%), recurring non-cash items in India (0.2%) and CVAE (contribution for value added by businesses) effect (-0,3%).

<sup>1</sup> Source: Vetnosis March 2011

## Net income rises 22.2%

The cost of financial debt dropped substantially (by €1.7 million in 2010) while other financial net income rose to €0.5 million on the back of forex gains. The combination of the two above-mentioned factors significantly reduced the net financial loss which shrunk to -€1.8 million from -€4.0 million in 2009.

Net income (group share) rose 22.2% to €22.3 million.

The Board of Directors has expressed its confidence about the Group's business outlook. At the upcoming Annual Shareholders Meeting of May 20, 2011 a €0.30 dividend per share will be proposed, resulting in a 16% pay-out ratio

## Solid financial structure

Vétoquinol has no debt and a net cash on hand position of €7.0 million at December 31<sup>st</sup> 2010.

The Group has the capacity to raise up to €200 million in debt to finance its ongoing external growth strategy.

## Continuing favorable outlook

Vétoquinol CEO Matthieu Frechin declared: *"These solid 2010 results reward our "hybrid" growth strategy which combines the launch of new products from our R&D pipeline and targeted acquisitions. We shall continue our sales and marketing drive in 2011 to support the new product launches of 2010 and those planned going forward. With our main presence in Europe, whose market characteristics are considerable solidity and sustainability, we shall also pursue our growth strategy through acquisition in emerging and high potential markets where the Group does not have operations of its own to date."*

## 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 10<sup>th</sup> 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 more than 1,600 employees worldwide.*

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

**OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.**

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