

DYNAMIC FIRST HALF 2016

SALES GROWTH ACROSS ALL TERRITORIES

REFERENCE PRODUCTS UP 5.0%

At its meeting on July 27, 2016, the Vetoquinol S.A. Board of Directors reviewed the Group results and approved the audited financial statements for the six months ended June 30, 2016.

H1 2016 KEY FIGURES

Sales

€172.2m (up 3.0%)

EBIT

€20.5m (up 27.4%)

EBITDA

€27.4m (up 20.2%)

The Vetoquinol Group reported first half 2016 sales of €172.2 million, up 3.0% over first half 2015. At constant exchange rates (like for like or LFL), sales amounted to €177.2 million, up 6.0%. First half results were hit by a negative currency impact of €4.9 million, mainly due to the weakening of the Canadian dollar, British pound and Indian rupee.

Sales of Vetoquinol's reference products, the drivers of its strategy, continued to grow, up 5.0% as reported and up 7.4% at constant exchange rates. Reference products accounted for 48.4% of total Group sales for the first half of 2016, compared to 47.5% for the same period last year.

Reported first half sales increased by 9.0% in Asia Pacific (13.4% LFL) and by 4.2% in the Americas (9.3% LFL). European sales, impacted by the tightening of regulations regarding second-line antibiotics, rose by 0.7% (2.0% LFL). In Europe, Vetoquinol launched a new reference product

named Tylucyl[®], a further addition to its range of solutions for treating mastitis in dairy cows. The Group also launched Cefaseptin[®], a new first-line antibiotic designed for the treatment of bacterial skin infections in companion animals.

Sales of companion animal products increased by 6.2% (8.2% LFL), while livestock products fell slightly by 0.4% (up 3.6% LFL).

First half EBIT rose sharply by 27.4% to €20.5 million, representing 11.9% of sales. Vetoquinol continued its efforts to control expenditure and benefited from favorable changes in the product mix, related to the reference product range, and sustained production during the first six months of the year. First half operating income also increased sharply, by 24.7% to €19.9 million. R&D expenditure amounted to 6.9% of first half 2016 sales, up 0.2 percentage points from the same period last year.

The Group posted a €0.7 million net financial expense for first half 2016, compared to net financial income of €1.9 million last year. The loss was due to a slight increase in the net cost of debt and to unrealized currency losses related to financial market volatility, including the weakening of GBP versus EUR in the wake of the Brexit referendum.

Net income came in at €13.5 million, up 8.8%; EBITDA amounted to €27.4 million, up €4.6 million or 20.2% over first half 2015.

The Vetoquinol Group recorded net cash of €53.7 million as of June 30, 2016, compared to €25.1 million as of June 30, 2015.

Vetoquinol CEO Matthieu Frechin commented: *"We are pursuing our growth drive based on the development of reference products, the drivers of our strategy. Our solid performance during the first half of 2016 gives us reason to be optimistic about our full-year results."*

(€m)	H1 2016	H1 2015	Change
Total sales	172.2	167.2	+3.0%
of which reference products	83.4	79.5	+5.0%
EBIT	20.5	16.1	+27.4%
% of total sales	11.9%	9.6%	
Net income - Group share	13.5	12.4	+8.8%
% of total sales	7.8%	7.4%	
EBITDA	27.4	22.8	+20.2%
% of total sales	15.9%	13.7%	

Next update: Q3 2016 sales, October 18, 2016 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.

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 over 2,000 people.

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

For further information, go to: www.vetoquinol.com.

For any information, contact:

VETOQUINOL

Investor Relations

Marie-Josée Aubry-Rota

Tel.: +33 (0)3 84 62 59 88

relations.investisseurs@vetoquinol.com

KEIMA COMMUNICATION

Investor & Media Relations

Emmanuel Dovergne

Tel.: +33 (0)1 56 43 44 63

emmanuel.dovergne@keima.fr

Appendix

Calculation of EBITDA

(€m)	H1 2016	H1 2015
Net income - Group share	13.5	12.4
Income tax expense	5.7	5.5
Net financial income/(expense)	0.7	(1.9)
Provisions recorded under non-recurring operating income and expenses	0.6	-
Provisions and write-backs	0.3	(0.1)
Depreciation and amortization	6.6	6.9
EBITDA	27.4	22.8