

VÉTOQUINOL ENTERS THE BRAZILIAN MARKET

Lure, June7, 2011 – Vetoquinol announces the acquisition of 100% of the equity of Farmagricola SA in Brazil.

Farmagricola SA, a family-owned Brazilian company founded in 1964

Farmagricola SA, a Sao Paulo region based company, generated revenues of around 18 million reals in 2010 (around $\[\in \]$ 7.7 million), up 10% vs. previous year. Farmagricola primarily sells anti-infective and parasiticides products. Most of its revenues are generated from livestock (cattle).

The company's production plant manufactures injectable, liquid, semi-liquid and solid products and employs around 100 people. The sales network is made up of around 40 agents covering the main cattle-rearing and livestock farming regions of Brazil.

A strategic acquisition in the world's 2nd largest animal health market

This acquisition establishes a foothold for Vetoquinol in the world's second-largest animal health market. Brazil is largely focused on cattle-rearing for beef production which generates the main stream of revenue. The Brazilian market demonstrated a solid growth in 2010. Although cattle predominates, the market is experiencing strong growth in pets.

"This acquisition is central to our strategy of growth through acquisition; it will enable us to continue our geographical diversification" said Vetoquinol CEO Matthieu Frechin. "Farmagricola brings us new growth opportunities in this key expanding market.

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 $10^{\rm th}$ 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 24 countries and a network of 140 distribution partners. The company has more than 1,700 employees worldwide.

For more information: <u>www.vetoquinol.com</u>.

OUR BUSINESS: ANIMALS. OUR ADVANTAGE: PEOPLE.

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