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Last update: December 2017
A global laboratory that has always been dedicated to animal health

Founded in 1968 by a French veterinarian, Virbac offers a comprehensive range of products and services intended for veterinarians, farmers and animal owners.

"Animal health is at the crossroads of some considerable social, health and environmental challenges: fight against epizootics, food safety, human health, biodiversity... To provide an effective response to these challenges, Virbac - from its inception - has opted to remain independent, to be exclusively dedicated to animal health, and to innovate tirelessly.

Today we devote therefore our energy to developing treatments and vaccines for everyday animal infections, while taking into account emerging or hard-to-fight diseases on a global scale. This approach is key for food producing animals, as the world's need for widely available high-quality meat and dairy products continues to grow. It's also vital for companion animals, to prolong and improve their quality of life and the well-being of their owners.

In the growing companion animal market, our strategy is based, among other things, on continuous development in the United States (acquisition of the Sentinel range to Eli Lilly and Company at the beginning of 2015).

In food producing animals, our offer rely on the rational use of veterinary drugs and the development of preventative medicine through vaccination. The company has also initiated a major strategic change of direction in the aquaculture field, having - at the end of 2012 - assumed a majority holding (51%) in Centrovet in Chile, one of the few worldwide companies specialized in vaccines for farmed salmons. The production of proteins from aquaculture is indeed the prime source of animal protein worldwide, which explains the interest in this segment for Virbac.

Finally, in addition to the regular launch of new products, Virbac is backing its development with a comprehensive range that covers the majority of species and pathologies. It is doing all this by strengthening its presence on the major markets, in developed and emerging countries alike, in order to contribute, day after day, to shape the future of animal health."

Key figures 2016

- Sales: €872 million (+4.4% at constant scope compared to 2015)
- Ranks 7th globally (2017)
- Present in over 100 countries
- Sales subsidiaries in 31 countries (88% of sales performed internationally)
- Production sites in 11 countries and R&D centers on 5 continents
- 4,850 employees (+1.5% compared with 2015)

Éric Marée
Chairman of the executive board
An independent international pharmaceutical company

Sales
€872 million
+4.4% at constant scope compared to 2015

€152 million
North America

€137 million
Latin America

€337 million
Europe

€131 million
Asia

€86 million
Pacific

€29 million
Africa & Middle East

Headquarters and subsidiaries in France
Production sites
Subsidiaries, branches and representative offices outside France
Research and development centers

Shaping the future of animal health
A comprehensive range covering the majority of species and pathologies

Simple to administer, easy to handle, supported by educational advice and services... every pharmaceutical and biological drug as every nutritional and diagnostic product is designed for optimal daily use.

- **Parasiticides**: all over the world, internal and external parasites are one of the main problems in animal health. Specific formulations developed from the main molecules used to treat both companion animals and food producing animals, as well as a wide range, provide a clear illustration of Virbac values: innovation and customer-driven focus.

- **Antibiotics**: its skill in formulation development enables Virbac to give veterinarians and farmers access to antibiotics (associated to anti-inflammatories if necessary) designed to meet their needs, in the context of a responsible use of antibiotics.

- **Vaccines**: the foundations for the effective prevention of the major diseases in companion and food producing animals, Virbac’s range of vaccines differentiates itself through the variety and quality of its offer.

- **Dermatology**: a pioneer in veterinary dermatology, today Virbac is the leader in this high-potential sector, thanks to its wide, innovative range of products dedicated to veterinarians and pet owners.

- **Diagnostics**: Virbac offers veterinarians quick diagnostic tests at clinics, which provide the best combination of practicality, performance and service.

- **Dental hygiene**: tartar, dental plaque, bad breath... just some of the many concerns of petowners to which Virbac, the leader in this sector, brings efficient and easy-to-use products.

- **Reproduction**: Virbac is a leader in canine reproduction thanks to its differentiated and innovative products, designed for veterinarians. The company is also developing its food producing animal business.

- **Aquaculture**: Virbac has a complete range of drugs intended for aquaculture production around the world: salmon, trout, tilapia, pangasius, prawns, etc. This range focuses in particular on prevention of the main bacterial and viral diseases through major innovations such as oral vaccination.

- **Petfood**: Virbac offers a wide range of hyperpremium petfood specifically developed for veterinarians, which meets the natural requirements of dogs and cats at each stage of their lives and according to their level of health.

- **And also**: Virbac holds very competitive positions on markets such as anesthesia, geriatrics and electronic identification.

A full range of services

Combined with its products, Virbac has developed a full range of services: technical and scientific supports; national and international congresses, webcast conferences; clinical audit, coaching, management training; diagnostics assistance software, animal monitoring tool... These are all tools and programs designed to help veterinarians and farmers in enhancing their medical expertise, growing their activity or even improving their customer relations.
Companion animals: a privileged partnership with veterinarians

6th-ranking laboratory in the world on the companion animal market, Virbac now devotes a major part of its sales efforts and research & development investments to this segment.

- Dogs, cats, horses and new companion animals (rodents, birds, reptiles, etc.) represent 46% of the global veterinary market.
- Virbac derives 59% of its sales in this segment, where it ranks 6th in the world.
- The keys to performance on this market are ability to innovate, breadth of range and communication with professionals and animal owners, who have a growing influence on purchase behavior.
- A pioneer in the booming companion animal segment, the company now devotes a major part of its sales efforts and of its research & development investments to this segment. Moreover, Virbac occupies positions of leadership in several segments (vaccines, dermatology, dental, electronic identification, and reproduction) and also offers an innovative range on high-volume markets (internal/external parasiticides and dog/cat nutrition).
- Virbac made a notable breakthrough in the petfood market with the launch of a new range of hyperpremium petfood, Veterinary HPM.

Virbac completely revised the classic nutritional approach to develop foods with more protein and fewer carbohydrates, much closer to the natural carnivorous diet of dogs and cats. Virbac launched first the preventive range to maintain good health for dogs and cats depending on their age. In November 2016, Veterinary HPM Adult Small & Toy was described by the French independent consumer association UFC-Que Choisir as one of the "best choices" among the twenty complete dog foods tested. In 2017, Virbac launches the therapeutic range to help dogs and cats suffering from various diseases to recover a good health.

- Founded on proximity, the Virbac marketing model is underlain by outstanding knowledge of its customers (monitoring of requirements, focus groups, immersion in the field, satisfaction surveys, etc.). Through a personalized relationship (availability, advice, service culture, etc.), Virbac offers its customers a winner-winner partnership: support during the development of their technical, marketing and administrative activity, as well as management.

Main product categories
- 16% of the market: vaccines. Key Virbac products: CaniLeish and the ranges Canigen, Feligen and Leucogen.
- 10% of the market: antibiotics. Key Virbac product: Rilexine.
- 30% of the market: anti-inflammatories, cardiology specialties, dermatology, ophthalmology, auricular products, dentistry, anesthetics and other pharmaceutical products. Key Virbac products: Suprelorin, Soloxine, Easotic, Epiotic, Cortavance, shampoo range, dental hygiene range and Zoletil.

Market data: sources Ceesa & Vetnosis 2016
Food producing animals: a dynamic development

The 7th-ranking laboratory in the world in the food producing animal market, Virbac wishes to grow its positions thanks to a strategy based mainly on product differentiation to meet the farmers’ needs in terms of economic performance, practicality and quality.

• The medicines for food producing animal market (swine and poultry, ruminants and fish) represents 54% of the global veterinary market.
• Virbac derives 41% of its sales in this segment, where it ranks 7th in the world.
• This market, in which stringent regulatory restraints prevail, is characterized by regular growth, associated in particular with the rise in animal protein requirements globally, especially in the emerging countries.
• The company is already extensively represented in the major antibiotics and parasiticide segments.
• Virbac wishes to grow its positions thanks to a strategy based mainly on product differentiation to meet the farmers’ needs in terms of economic performance, practicality and quality. Therefore its portfolio comprises both generics and differentiated products not only on account of their user-friendliness but also of their combination of active ingredients. Objective: to make it simpler for farmers to implement individual or collective treatments, thanks to products whose user-friendliness and/or formulation are expedient to therapeutic efficacy and/or safe use.
• The Virbac strategy is also tied up with the rational use of veterinary medication and positions Virbac in the development of preventive medicine (via vaccination).
• Following a number of external growth operations, Virbac is therefore now the holder of vaccines for ruminants (Santa Elena) and swine (SBC).

Moreover, end of 2012, the acquisition of a majority stake in Centrovet (51%), a major aquaculture player, has allowed Virbac to initiate a major strategic change of direction in the oral vaccination of farmed salmon. Thanks to this acquisition, Virbac has padded out its range aimed at salmon-producing countries, especially Norway, Chile and Canada.

Main product categories

• 36% of the market: vaccines
  Key Virbac products: the ranges Singvac, Cydectin Websters, Lepto 3 way, Bovisan, Clostrisan, Suigen Cholera and App Pm vaccines, SRS, IPN and ISA aquaculture oral vaccines.
• 20% of the market: antibiotics (intramammary, injectable and oral).
  Key Virbac products: Virbactan DC, Rilexine LC/DC, Mastitar, Penclox in intramammary vaccines, Readycefl/Citius, Shotaflor/Maxflor, Shotapen, Multibio injectable, Fortius, Suramox/Stabox Premix and oral soluble powders...
• 12% of the market: parasiticides
  Key Virbac products: the ranges Virbamec (pour-on, injectable, Platinium, F…) and Cydectin, oral wormers (Oxfenil, Prodose, Flukare), pour-on (Deltanil, Néoprinil)...
• 32% of the market: anti-inflammatories, reproduction, anesthetics, metabolism and other specialities
  Key Virbac products: Multimin, Diaproof, Enerlyte Plus, Ostovet, Calgophos, Virbagest, Prosolvin, Cyclix...

Market data: sources Ceesa & Vetnosis 2016
Continuous technical innovation sensitive to the customers' needs

Established in key territories, Virbac product innovation is organized with a global management of project by species in order to meet the specific local demands of the major markets: companion animals, ruminants, swine and aquaculture.

- Whatever the target species, Virbac has a specific innovative model based on both technological advances and listening to the customers.
- Unlike human health, innovation in veterinary medicine is not only generated by basic research. Virbac has therefore always focused its investments and the work of its R&D teams on applied research and development by promoting synergies between on-the-field teams and researchers.
- The company possesses extensive professional expertise, especially in formulation, which enables it to develop original formulations that optimize treatment safety and efficacy while amplifying their compliance.
- In addition to product innovation, Virbac also pursues an active business development policy (commercial and technological): continuous and global sales licensing activity, the source of directly exploitable products; technology licensing (compounds, formulations) that leads to future innovative R&D products; regular corporate and product acquisitions in furtherance of its strategy.
Nearly 50 years of innovation

Founded on both technological advances and listening to the customers, Virbac innovation aims to improve the treatment of animal diseases and facilitate veterinary practice.

- 2016: first veterinary dermatological technology to stimulate endogenous antimicrobial peptides and limit microbe adherence.
- 2015: first injectable for cattle combining ceftiofur and ketoprofen in Europe.
- 2013: first antiviral and antibacterial oral vaccines for salmons, given in the food.
- 2011: first vaccine against canine leishmaniasis in Europe.
- 2008: first deslorelin-based implant for chemical castration of male dogs.
- 2007: first broad spectrum chewable anthelmintic in the United States for use in dogs to prevent canine heartworm disease and for the treatment and control of roundworms, hookworms and tapeworms.
- 2007: first corticoid spray with targeted action for dermatitis in dogs thanks to hydrocortisone aceponate.
- 2003: first injectable combination of zeranol and an endectocide, for cattle.
- 1988: first genetically engineered vaccine against feline leukemia, a disease caused by a retrovirus affecting the immune system.
- 1986: new slow-release intraruminal device (bolus) to prevent parasitic infestations in cattle.
- 1981: first homologous vaccine against canine parvovirus.

A reactive supply chain responding to the highest quality standards

With highly responsive industrial facilities and production plants located as close to markets as possible, Virbac is able to produce and sell a broad range of products that meet the highest international standards. To protect its supplies, maintain a high level of quality throughout the production chain and guarantee the safety of its products, the Group relies on a network of suppliers and contract manufacturers selected on stringent criteria.
Sustainable & profitable growth

Virbac wishes to pursue its development in harmony with its environment and the people who work in it and ensure the company’s longevity by means of sustainable and profitable growth.

- **There are four keys to Virbac’s performance**: a favorable spread between companion animal and food producing animal activities; efficient cost control; a family-based majority of shareholders that provides Virbac with the flexibility and swiftness of adaptation that is required on the market.

- **Annual net revenue reached 871.8 M€**, a +2.3% growth, impacted by the unfavorable evolution of exchange rates; at comparable rates, growth was +4.5%, of which +4.4% organic growth. With the exception of the Aquaculture, growth was driven by a good performance in all regions, which benefited from the growth of the new parasiticides products launched recently in Europe, the dynamism of the food producing ranges in the emerging markets, and the gradual ramp-up in the US of the historical range, even though it is somewhat lower than the expectations at the beginning of the year. It should also be noted that the United States benefited from a stocking effect from distributors in 2016, linked to the return to the market of certain products at the end of the year, in particular Iverhart Max, to a very gradual recovery of sales to clinics of reintroduced products, as well as price increases as of January 1st.

- **From a financial standpoint**, the decrease in the Group’s net debt compared to 2015 stems mainly from good control of working capital requirements. Overall, the net debt level, has declined, as expected in the second half of the year (-57.9 M€) to 547.1 M€. At the end of 2016, these financial elements enable the Virbac group to meet its obligations to its banking pool, renegotiated as part of the waiver application, which was obtained unanimously in December 2016.

**Perspectives**: 2017 should see moderate growth of the Group’s operations at constant exchange rates. The outlook remains moderate in Europe and very good for Asia-Pacific and Latin America. In the United States, the latest products that are still absent from the market and do not require a change in their registration files will be marketed again in the first months of the year. In parallel, as a consequence of the lifting of the warning letter end 2016, Virbac United States can finally work on file variations and consider new registrations. The volume of business ex-distributors will continue to grow well in this country. On the other hand, ex-Virbac sales are expected to be close to 2016; the products sold to distributors at the end of 2016, such as Iverhart Max, will have to be sold before the restocking orders take momentum. In Chile, the aquaculture market remains disrupted, so the Group does not yet expect an improvement in the outlook in this country.

**Stock market and shareholder structure**

- Listed in Paris since 1985
- NYSE Euronext
- Shareholder structure: 49.7% Dick family shareholding / 50.3% public shareholding
- 65.7 % of voting rights held by the founder’s family
A responsible company focused on the future

Long-term development of a company involves searching for a harmonious balance between three principles: caring for people, respect for the environment and economic performance. Virbac has been committed from the beginning to making progress in all three areas.

- **Social responsibility**: respect for humankind has been one of the key values of the founder of the company. The company is committed to preserving this tradition and to cultivating it by supplementing it with ambitious skills development policies.
- **Economic responsibility**: the company’s goal is to continue posting the steady and profitable growth it has seen almost annually since its founding. This development is primarily based on solid organic growth, regularly supplemented by targeted acquisitions.
- **Environmental responsibility**: the company very operations guarantee high quality levels (for example, compliance with Good manufacturing practices and with Good laboratory practices). The search for energy savings and respect for the environment are also increasingly integrated systematically in key company decisions (investments, transport, product design...).

Some key initiatives

- Virbac sustainable development report is certified by the GRI (international standard network for sustainability reporting).
- Virbac has been selected (since 2009) by the Gaïa Index, a French index that not only measures economic, but also social and environmental performance.
- Since 2009 in France, Virbac has been a signatory of the diversity charter recognized by the Halde (Haute autorité pour la lutte contre les discriminations et l’exclusion).

Animal health at the heart of ecosystems’ health

The Virbac Foundation is promoting a One Health program in Gonarezhou park in Zimbabwe for the second consecutive year. A field action that contributes to rabies vaccination of domestic dogs, to awareness increase of the villagers on zoonoses and to the improvement on cattle nutrition. The key objectives of the programme: the reduction of the risk of spread and transmission of these lethal zoonosis to animal and human populations, the prevention of the emergence of other diseases and the improvement of the health status of local communities.
A unique human adventure

Take your talent into new territories

Virbac is a growing company that offers real development opportunities. Joining the company means taking part in a human adventure where everybody’s dedication and entrepreneurial spirit help the entire organization to progress.

The company’s future depends on its capacity to innovate, invent, propose and take action. This is why Virbac attracts or appoints the best talents to key positions within the organization. The company will give them all the full recognition they deserve. At Virbac, freedom of expression, autonomy and responsibility are crucial to the personal development of every individual and to the company’s success. In order to reflect these specificities, the employer value proposition is supported by three pillars.

- **Continuous development**: working at Virbac means operating in an environment of continuous development, offering professional growth for all and opportunities for those eager to take initiatives.
- **Innovative thinking dedicated to animal health**: working at Virbac means putting emphasis on creativity across the board and benefiting from empowerment to address customers’ needs within agreed guidelines.
- **People centric**: working at Virbac means joining a company that puts people at the heart of the organization.

### 2016 key figures
- Workforce: **4,850** employees (including 81% outside France)
- Workforce growth: **+1.5%** vs 2015
- **40%** worldwide leaders and managers are women
- **100** professions dedicated to customer satisfaction
- Skills development: **3** training days per collaborator and per year (on average)
- 2015 opinion survey: **90%** of employees agree or totally agree that they wish to continue their career at Virbac

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**Average annual workforce and sales growth since 1980**

![Graph showing workforce and sales growth from 1980 to 2016](image-url)
Corporate governance: the supervisory board

Comprising six members including three independent members, the supervisory board ensures the permanent control of the management of the executive board, the regular review of the accounts and of all major projects and investments.

First line (from left to right)
- Marie-Hélène Dick, chairwoman
- Pierre Madelpuech, vice-chairman
- Solène Madelpuech, member

Second line (from left to right)
- Grita Loebsack, independent member
- Philippe Capron, independent member
- Olivier Bohuon, independent member

- Xavier Yon, non-voting advisor
Corporate governance: the executive board

Virbac is a public limited company with an executive board and supervisory board whose headquarters is located in Carros (France). Comprising five members, the executive board is responsible for the company's strategic and operational management.

- Éric Marée
  Chairman of the executive board
  HEC, MBA Cornell University
  Chairman of the executive board since 1999

- Christian Karst
  Executive vice-president corporate development
  Doctor of veterinary medicine
  Member of the executive board since 1996

- Sébastien Huron
  Head of Global Business Operations
  Doctor of veterinary medicine
  Member of the executive board since 2012

- Habib Ramdani
  Chief financial officer
  Member of the executive board since 2016

- Jean-Pierre Dick
  Responsible for special projects
  and chairman of the Fondation d'Entreprise Virbac, a corporate foundation
  Doctor of veterinary medicine, MBA HEC
  Member of the executive board since 1996
Sailing sponsorship: passion combined with entrepreneurial spirit

Since 2001, Virbac has been the sponsor of Jean-Pierre Dick during his adventures on the high seas. This commitment is the company’s opportunity to convey the values it shares with top-level sailing and to reinforce its links with its customers.

- Doctor of veterinary medicine, member of the executive board, Jean-Pierre Dick decided in 2001 to sail around the world as well. The wager was completed and the challenge was met. In a few years, he has become a sailing personality and won acclaim from his peers (elected sailor of the year in 2011).

- Entrepreneurship, determination, self-transcendence... all these are the values that Jean-Pierre has displayed throughout his career. It is because he is the perfect embodiment of the company's culture that Virbac has put its name to his adventure.

www.jpdick.com

- Committed at his side from the start, Virbac profits from the skipper's sporting programme in order to gather its veterinarian customers to see him off or welcome him back from his races, or to join their former colleague in sailing on the boat that bears Virbac's corporate colors. Brought together by a common passion, their support for the “sailing vet” has never wavered.


**Major achievements**

2017: winner of the Transat Jacques Vabre (with Yann Eliès)
2013 & 2017: 4th in the Vendée Globe
2011: winner of the Transat Jacques Vabre (with Jérémie Beyou)
2010-2011: winner of the Barcelona World Race (with Loïck Peyron)
2010: 4th in the Route du Rhum
2007-2008: winner of the Barcelona World Race (with Damian Foxall)
2006: 3rd in the Route du Rhum
2005: winner of the Transat Jacques Vabre (with Loïck Peyron)
2004-2005: 6th in the Vendée Globe
2003: winner of the Transat Jacques Vabre (with Nicolas Abiven)
2001: winner of the Tour de France à la Voile

**2017 programme**

- Grand prix Guyader in Douarnenez (May 7)
- Rolex Fastnet in Cowes with Yann Eliès (August 6)
- Transat Jacques Vabre with Yann Eliès (November 5)