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A global laboratory dedicated to animal health

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

"Animal health is at the crossroads of some considerable social, health and environmental challenges: the fight against epizootics, food safety, human health, biodiversity, and many more.

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. In the growing companion animal market, Virbac is applying a strategy of conquest that is based, among other things, on continuous development in the United States.

In food producing animals, the Group has 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. Virbac's investment in the health of aquaculture farms reflects the Group’s vision for the future. Over the last few decades the production of proteins from aquaculture has grown significantly and is now (with fishing) the prime source of animal protein worldwide. Boasting the best conversion rate of animal species used for food (increase in live weight per kg of food ingested), this business looks set to grow to meet the food requirements of a growing world population (9 billion by 2050).

Alongside this, the company is continuing to invest massively in R&D in order to perfect treatments and vaccines that enable the fight against infections that are still, today, poorly combated (using the first vaccine against canine leishmaniosis to be approved in Europe, for example) or that constitute new risks of epizootics.

Finally, in addition to the regular launch of new products, Virbac is backing its development with an ingenious 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."

**Key figures for 2013**

- Turnover: €736 million (+6% compared with 2012)
- Ranks 8th globally
- Present in over 100 countries
- 30 sales subsidiaries outside France (86% of sales performed internationally)
- Production sites in 10 countries and R&D centres on 5 continents
- 4,350 employees (+5% compared with 2012)
An independent international pharmaceutical group

€736 million turnover + 6% vs 2012

102 M€ North America

301 M€ Europe

136 M€ Latin America

89 M€ Asia

29 M€ Africa & Middle East

79 M€ Pacific

- Headquarters and subsidiaries in France
- Affiliates, branches and representative offices outside France
- Production sites
- 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 use.

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

- **Antibiotics**: its skill in formulation development enables Virbac to give access to antibiotics designed to meet the needs of veterinarians and farmers.

- **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 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 effectively treated by Virbac, the leader in this sector thanks to its easy-to-use products.

- **Reproduction**: Virbac is a leader in canine reproduction thanks to its differentiated and innovative products, designed for veterinarians. The company holds strong positions in the swine farming field and is developing its ruminant 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 through major innovations such as oral vaccination.

- **Petfood**: Virbac offers a wide range of petfood 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 new markets with strong potential such as anaesthesia, 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, international and webcast conferences; clinical audit, coaching, management training; diagnostics assistance software, animal monitoring tool, and many more. These are all tools and programs designed to aid veterinarians and farmers in enhancing their medical expertise, growing their activity or even improving their customer relations.
Companion animals: a privileged partnership with veterinarians

5th-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 more than 40% of the global veterinary market.
- Virbac derives 56% of its sales in this segment, where it ranks 5th 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 behaviour.
- 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). A pioneer in the booming companion animal segment, the Group now devotes a major part of its sales efforts and of its research & development investments to this segment.
- Virbac’s presence in the United States, the market in the vanguard of trends, is an important asset. In 2012, Virbac USA became the largest Group subsidiary in terms of sales (€101 million in sales in 2013).
- 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 personalised relationship (availability, advice, service culture, etc.) Virbac offers its customers a winner-winner partnership: support during the development of their management, technical, administrative activity.

Main product categories

- 46% of the market: external parasiticides and wormers. Key Virbac products: Effipro, Iverhart Max and Equimax.
- 16% of the market: vaccines. Key Virbac products: CaniLeish and the ranges Canigen, Feligen and Leucogen.
- 9% of the market: antibiotics. Key Virbac products: Rilexine Observance Globale.
- 29% of the market: anti-inflammatory, cardiology specialties, dermatology, ophthalmology, auricular products, dentistry, anaesthetics and other pharmaceutical products. Key Virbac products: Suprelorin, Soloxine, EasOtic, Epi-Otic, Cortavance, shampoo range, dental hygiene range and Zoletil.

Source: Vetnosis (species introduction, September 2013)

All medicines or products mentioned in this document can be not authorized or not marketed in all the countries including France.
Food producing animals: a dynamic development

The 9th-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.

- The medicines for food producing animal market (swine and poultry, ruminants and fish) represents 60% of the global veterinary market.
- Virbac derives 44% of its sales in this segment, where it ranks 9th in the world.
- This market, in which stringent regulatory restraints prevail, is characterised by regular growth, associated in particular with the rise in animal protein requirements globally, especially in the emerging countries.
- The Group 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. Therefore its portfolio comprises both generics and products that are differentiated not only on account of their ergonomics but also of their combination of active ingredients.
- The Virbac strategy is also tied up with the rational use of veterinary medication and positions Virbac in the development of preventive medicine (especially via vaccination).
- Following a number of external growth operations, Virbac is therefore now the holder of vaccines for ruminants and horses (Santa Elena), swine (SBC) and in aquaculture (Centrovet). This most recent acquisition of 51% of this 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

- 33% of the market: vaccines
  Key Virbac products: the ranges Singvac, Cydectin Eweguard, Cydectin Weanerguard, Websters, Lepto 3 way, Bovisan, Clostrisan, SRS, IPN and ISA oral vaccination cultures.
- 17% of the market: antibiotics (intramammary, injectable and oral).
  Key Virbac products: Virbactan DC, Rilexine LC/DC, Mastitar, Penclox in intramammary vaccines, Readycef/Citius, Shotafior/Fortius, Shotapen, Multibio in injectable, Suramox/Stabox Premix...
- 16% of the market: parasiticides
  Key Virbac products: the range Virbamec (Pour On, injectable, Platinium, …), the range Cydectin (moxidectine) and numerous oral vermifuges: Oxfenil, Prodose, Flukare...
- 34% of the market: anti-inflammatories, reproduction, anaesthetics, metabolism and other specialities
  Key Virbac products: Multimin, Diaproof, Enerlyte +, Ostovet, Prosolin, Cyclix, Virbagest...

Source: Vetnosis (species introduction, September 2013)
Continuous technical innovation sensitive to the customers' needs

Established in key territories, Virbac product innovation is organised in globally active subsidiaries in order to meet the specific local demands of these major markets: companion animals, ruminants, swine and aquaculture.

- Whatever the target species, Virbac has a specific innovative model based on technological progress and focused on satisfying its customers' requirements.
- Unlike human health, innovation in veterinary medicine is not only generated by underlying 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 Group possesses extensive professional expertise, especially in formulation, which enables it to develop original formulations that optimise 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.
More than 40 years of innovation

Founded on technological progress and in line with customers’ needs, Virbac innovation aims to improve the treatment of animal diseases and facilitate veterinary practice.

- 2011: first vaccine against canine leishmaniosis registered in Europe.
- 2008: first deslorelin-based implant for chemical castration of male dogs.
- 2007: first broad spectrum chewable anthelmintic 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 patented injectable combination of zeranol and an endectocide, for cattle.
- 1996: first broad spectrum horse wormer in oral gel combining ivermectin and praziquantel.
- 1988: first genetically engineered vaccine against feline leukaemia, 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 vaccines against canine parvovirus.
- 1981: introduction of the first cephalosporin in veterinary medicine, in France, available for both companion and food producing animals.
Sustainable & profitable growth

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

- There are four keys to Virbac’s performance: a favourable spread between companion animal and food producing animal activities; efficient cost control; a relatively low debt level that enables the company to invest in R&D and proceed to tactical acquisitions; a family-based majority of shareholders that provides Virbac with the flexibility and swiftness of adaptation that is required on the market.

- For the year as a whole sales rose to €736m, growth of 6% compared with 2012. This growth would have been 10.5% if it had not been slowed by a highly unfavourable trend in currencies. The contribution of organic growth to this performance amounts to 2%. Globally, this relatively slow progression is due both to market trends (sluggish economic environment, unfavourable climate conditions) and to conditions of slower growth that were specific to Virbac: few product launches this year; a fall in CaniLeish in Europe linked with the vaccine protocol that demands one sole repeat injection from the second year onwards; temporary halt in the marketing of Iverhart Plus in the United States. These two latter factors have had a significant impact, around -3% in total, on internal growth.

- At the geographic level, growth was essentially generated by emerging markets (Latin America, Asia, India, South Africa). Activity remained generally stable in Europe, but shows a certain contrast depending on regions, with a good level of increase in the United Kingdom, in the Scandinavian countries and in Eastern Europe, balanced by a slow decline in France and Northern Europe and a fall in Southern Europe. In the United States, sales declined by approximately 5%, the consequence of the withdrawal of Iverhart Plus, while the other specialities (dermatology, endocrinology, dental range) recorded a robust performance.

- Activity by species reflects these geographic trends. With exchange rates and parameters remaining constant, sales in the companion animal segment remained stable (+0.1%) despite the fall of CaniLeish and the rather unfavourable trends in the markets in Europe on the one hand, and the Iverhart Plus situation in the United States on the other. The food producing animal sector shows a rise of 5.5%, driven by the emerging markets but partially balanced by the negative trends observed in Europe and a difficult year in Australia. On the whole, the trend was fairly similar, outside Europe, in the cattle segment and in the industrial sector (swine and poultry), with growth of more than 7%. On the other hand, the situation remains relatively unfavourable in Europe, with a fall of approximately 2% in both of these sectors.

Stock market and shareholder structure

- Listed in Paris since 1985
- NYSE Euronext compartment A SBF 120
- Shareholder structure: 49.7% Dick family-owned group / 50.3% others
- 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.

- **Economic responsibility**: respect for humankind has been one of the key foundation values of the founder of the company, Pierre-Richard Dick, DVM: the pursuit of real social dialogue, a remuneration and social protection policy that favours employees on the lower end of the salary scale, and the confidence and interest shown in every employee are thus part of Virbac's values. The company is committed to preserving this tradition and to cultivating it by supplementing it with ambitious skills development policies.

- **Environmental responsibility**: the company very operations guarantee high quality levels (compliance for example with Good manufacturing practices and with Good laboratory practices). In addition, several years ago the company launched lean manufacturing and continuous improvement projects designed to steadily cut waste and optimize resource usage. The search for energy savings and respect for the environment are increasingly integrated systematically in key company decisions (investments, transport, product design...).

- **Social 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, driven by innovation and the strength of Virbac’s customer relations. It is regularly supplemented by targeted acquisitions, while nevertheless ensuring that debt levels remain manageable. This strategy is pursued within the framework of a straightforward and clear governance structure that provides shareholders with a high level of transparency.

Some key initiatives

- Virbac obtained GRI certification level B+ (international sustainable development reporting standard) for its 2013 report.
- 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 recognised by the Halde (Haute autorité pour la lutte contre les discriminations et l’exclusion).
- Virbac’s diversity policy bears in particular on equality between women and men, the seniors pact, disability at work, etc. In 2013, Virbac won 4th prize for employing female directors, a prize awarded to France’s biggest companies.
"Take your talent into new territories"

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

- The Group's future depends on its capacity to innovate, invent, propose and take action. This is why Virbac is looking for men and women who are willing to take up challenges and who are confident in their abilities. The Group 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 Group's employer message is supported by three pillars: "continuous development", "creativity of each individual in the service of animal health" and "People at the heart of the system".

- 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.

Key figures for 2013

- Group workforce: 4,350 employees (including 70% outside France)
- Workforce growth: +5% compared with 2012
- More than 400 recruitments in 2013
- Gender breakdown: 61% male, 39% female
- 9.1% average annual workforce growth since 1980
- 90% of employees agree or totally agree that they wish to continue their career at Virbac (2013 opinion survey)
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)
Pierre Madelpuech, representing the company Asergi
• Philippe Capron, independent member
• Olivier Bohuon, independent member
• Xavier Yon, non-voting advisor (censeur)

Second line (from left to right)
• Jeanine Dick, vice-chairwoman
• Marie-Hélène Dick, chairwoman
• Grita Loebsack, independent member
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
  Previously in senior management positions with Roche (1994-1999) and Rhone Poulenc Rorer (1990-1994)

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

• **Michel Garaudet**
  Chief financial officer
  HEC
  Member of the executive board since 2002

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

• **Jean-Pierre Dick**
  Responsible for special projects and president 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 Group'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.
- Committed at his side from the start, the Group profits from the skipper's sporting programme in order to invite its 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 colours. Brought together by a common passion, their support for the "sailing vet" has never wavered.

Palmarès

2013: 4th in the Vendée Globe
2011: winner of the Transat Jacques Vabre (with Jérémie Beyou)
2010-2011: winner of the Barcelona World Race (with Loick 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 Loick 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