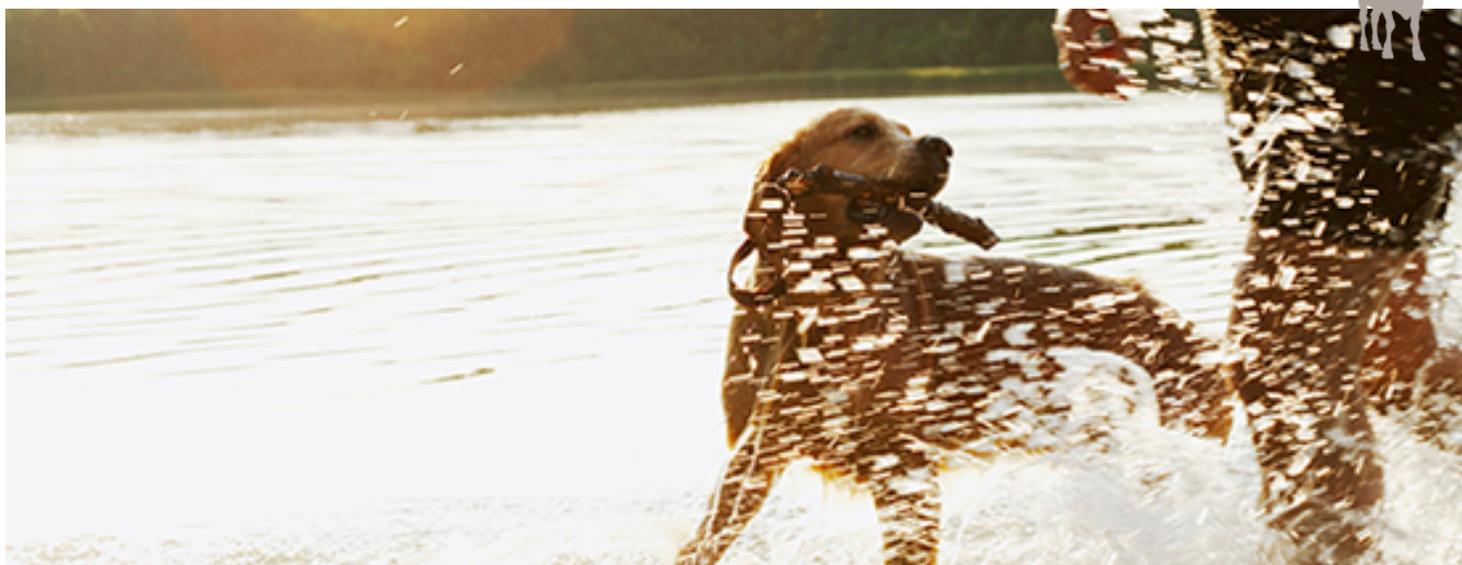


Virbac :

Quarterly report as of September 30, 2015



This report is prepared in narrative form under the terms of implementation of article L451-1-2 of the Monetary and financial code issued by the French financial markets authority (AMF).

1. Key events of the quarter

No significant events have occurred during the third quarter 2015.

2. Significant events after the closing date

No significant events have occurred after the closing date of September 30, 2015.

3. General overview of Virbac financial situation and profits

3.1. Activity

Virbac consolidated sales in the third quarter amounted to €213.7 million compared to €202,7 million, a +5.5% growth compared to the same period of 2014.

Like in the first half, this performance benefits from the favourable exchange rates evolution: at constant parities, growth during the third quarter reached +1.8%.

On one hand business continues to benefit from the integration of the Sentinel brands in the United States and from the new products launched in Europe. On the other hand the activity in the U.S. is still penalized by the interruption of operations in the St. Louis (Missouri) manufacturing facility. Excluding Sentinel, sales recorded a -6.8% organic growth

during this quarter, of which +3.2% outside of the United States, driven by a good performance in emerging countries such as India and Colombia along with Australia and Japan. This third quarter evolution appears lower than in the second quarter (+2.2%, of which +6.4% outside of the U.S.) due to heterogeneous bases for comparison both in the U.S. (Iverhart sales resuming last year in the third quarter; products available in St. Louis inventories sold this year during the second quarter) and in Europe (launch of new products in the third quarter last year).

Consolidated figures (in € million)	3 rd quarter
2014 Net sales	202.7
2015 provisional Net sales	213.7
Change	+5.5%
Change at constant exchange rate	+1.8%
Change at constant scope and exchange rate	-6.8%

3.2. Sales breakdown by activity

Consolidated figures	Change 9 months cumulative (actual rates & scope)	Change 9 months cumulative (constant rates & scope)
Companion animals	+18.2%	-6.9%*
Food producing animals	+9.3%	+1.1%
Other businesses	-25.2%	-28.4%
Total	+13.5%	-3.6%

*+8.5% excluding United States

- Companion animals

The companion animals segment is growing by +18.2% thanks to the Sentinel contribution and the favourable exchange rates impact. However it is decreasing by -6.9% at constant scope, negatively impacted by the situation in the U.S. affiliate. Excluding this U.S. factor, organic growth is largely positive, +8.5%, thanks to the new products launched earlier in Europe, mainly the parasiticides for companion animals Effitix and Milpro, and to the new pet-food range introduced recently in France. The dermatology and reproduction ranges are contributing as well to this steady growth.

- Food producing animals

Business in the food producing animals segment is more moderate with a growth of +9.3%, of which +1.1% organically. The growth remains mainly driven by the emerging countries as well as the large markets such as Australia and New-Zealand, while in Europe the activity is declining in both the bovine and industrial sectors (swine and poultry) due to the decrease of sales of antibiotics in France.

- Other businesses

These activities, which represent less than 2% of revenues for the three months correspond to the markets of lesser strategic importance for the Group and mainly include contract manufacturing in the United States and Australia.

3.3. Perspectives

At the St. Louis facility, the implementation of the quality system improvement plan is progressing; manufacturing and sales are gradually resuming for the first products which have gone through the different validation steps. Among the major products, the batches of Iverhart Plus recently manufactured start to be released and will be soon delivered to the market.

3.4. Debt

As of September 30, 2015, the Group's net debt amounted to €621.3 million, growing by + €424.7 million compared to December 2014. This evolution is mainly due to the debt incurred for the acquisition of the Sentinel range in the United States.

As expected, the net debt decreased since the beginning of the second semester ; it amounted to € 632.4 million at the end of June.