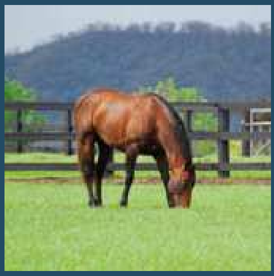
FIRST HALF-YEAR FINANCIAL REPORT
Ended June, 30 2012

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I. HALF YEARLY MANAGEMENT REPORT AS OF JUNE 30, 2012

1. KEY EVENTS OF FIRST SEMESTER

After Portugal and France in 2011, CaniLeish ®, the Virbac's vaccine against canine leihsmaniosis, has been successfully launched in Spain and Greece early 2012 and in Italy by the end of this quarter.

On 3 February 2012, the executive board unanimously decided to, effective as of 17 February 2012:
• cancel 256,352 treasury shares acquired under the buyback programme and held by the company at 30 January 2012;
• consequently reduce the share capital from €10,892,940 to €10,572,500 divided into 8,458,000 shares with a par value of €1.25;
• attribute the difference between the purchase value of the cancelled shares and their nominal value to available reserves.

Early May Virbac divested its business in specialized channels (garden centers, pet stores): hygiene products and parasiticides in France and pet nutrition products in Europe, which account for around 10 M€ turnover on a full year basis with an operating result of €0.6 million. This divestment generated a non recurring net revenue of €1.1 million.

2. SIGNIFICANT EVENTS AFTER THE CLOSING DATE

Virbac acquired on July 2nd, 2012, through its affiliate Virbac New Zealand Ltd, all of the shares of Stockguard Animal Health Ltd and Stockguard laboratories Ltd, located in Hamilton, New-Zealand.
This acquisition amounted to NZ $37.15 million, paid on closing date, July 2nd, 2012. The agreement includes an earn out clause, which amount will depend on the level of gross margin reached over the next twelve months following the date of acquisition.

Created in 1987, STOCKGUARD has built up a strong expertise in developing, manufacturing and marketing a range of products for the dairy cattle and sheep markets in New Zealand, in which it enjoys solid leadership positions in intramammaries, injectable antibacterials, reproduction, and vitamin and trace elements. Its current portfolio of new products in development will complement the existing range and further reinforce the company's position in the market.
STOCKGUARD's business amounts to around €5,8 million in sales with a good profitability.

Virbac is already present in New Zealand through its affiliate, Virbac New Zealand Ltd. This acquisition is very complementary to its existing business in New Zealand and will consolidate Virbac's number 5 ranking in the country. It will allow a strategic strengthening of Virbac's position on the important dairy cattle market in New Zealand and will also open further opportunities for future expansion in this segment in the other regions of the world.
Through this transaction, Virbac has acquired all business and assets of STOCKGUARD, including its manufacturing equipment, with an option to further buy the land and buildings currently owned by a separate entity controlled by STOCKGUARD's owners.

The transaction being closed on July 2nd, 2012, it has not been accounted for in the consolidated financial statements as of June 30, 2012.

3. GENERAL OVERVIEW OF VIRBAC FINANCIAL SITUATION AND PROFITS

The consolidated turnover of Virbac in the first half 2012 amounted to € 349.4 million against € 314.5 million in June 2011. The evolution of the activity is very positive with an overall growth of 11.1%, including 9.2% at constant scope and exchange, driven by the good performances recorded in the companion animal business. In parallel, the weakening of the Euro contributed significantly as well, more than 2%, to the sales growth.

Consolidated number (in million Euros)	First half 2011	First half 2011	Change 2012 / 2011
Revenue from ordinary activities	**349,4**	**314,5**	**11,1%**
Growth at constant exchange rates			8,9%
Pro-forma growth at constant exchange rates			9,2%
Current operating result	**55,8**	**49,6**	**12,3%**
As a % of revenue	*16,0%*	*15,8%*	**0**
Operating result	**56,9**	**49,6**	**14,6%**
Net profit – Group share	**37,9**	**32,6**	**16,4%**

Current operating income amounted to € 55.8 million up 12.3% over the first half of the previous year due to business growth and improved net margin rate.
The divestment in May 2012 of Virbac's business in specialized channels generated a non recurrent net revenue of €1.1 million, which consequently brought the increase of global operating profit up to + 14.6%.

The net income - group share amounted to € 37.9 million up 16.3% over the first half of 2011.

Financial position :

The Group's net debt amounted to €84.8 million against €69.7 million at December 31, 2011. This increase is consecutive to the use of our credit line that has been drawn down in order to finance the acquisitions.

Full year outlook :

With the good performance delivered in the first half, Virbac is confident in its capacity to reach the objective announced early this year, of a 7 to 9% organic growth. Therefore, a significant improvement of operating profitability before R&D is anticipated, which will allow the Group to continue allocate increased resources to innovation. In this context, the operating profitability ratio should stay close to the 2011 level, which had reached 13.8%.

4. TURNOVER BREAKDOWN

Per Activity

Consolidated number (in millions Euros)	First half 2012	First half 2011	Change (at constant rate)	Change (at constant rate and scope)
Companion Animals	216,32	184,1	17,5%	14,4%
Food Producing Animals	126,58	123,959	2,1%	2,2%
Others Activities	6,5	6,5	1,2%	-4,7%
TOTAL	**349,43**	**314,5**	**11,1%**	**9,2%**

- **Companion animals**

This first semester, the companion animals segment enjoyed a strong growth of +17.5% with current rates and scope. The organic growth remains strong as well, +14.4%, coming from:

✓ The US, thanks to strong sales on whole of the ranges, the launch of new products (Easotic in dermatology Effitix in parasiticides) and strong Iverhart sales, partially linked to the distributors' expectations of the impact of the temporary closure of a competitor's manufacturing site.

- ✓ Southern Europe thanks to the launch of the CaniLeish ®, vaccine in Spain and Greece at the beginning of this year, and in Italy by the end of this quarter.

- **Food producing animals**

The food producing animals segment increased by only +2.2%, the high level of activity in the emerging countries being offset by a decrease in the European market which remains sluggish, and lower sales in Australia and South Africa after a strong growth last year.

- **Others activities**

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

Per area

Area / M€	First half 2012	First half 2011	Change (%)	Change (at constant rate)
France	53,2	53,8	-1,2%	-1,2%
Europe excluding France	107,3	95,6	12,2%	11,4%
North America	58,3	44,3	31,6%	21,7%
Latin America	28,5	23,5	21,0%	22,5%
Africa - Middle East	14,9	17,7	-15,9%	-11,7%
Asia	44,5	38,1	16,9%	18,4%
Pacific	42,8	41,5	3,1%	-4,8%
TOTAL	**349,4**	**314,5**	**11,1%**	**8,9%**

Nearly all regions, with exception of France and Africa Middle East, posted growth:

- ✓ Europe: the increase in sales is driven by strong growth in Southern Europe thanks to the successful launch of CaniLeish ®. The UK also performs well and contributes to the growth thanks to higher sales in vaccines and external parasiticides (Effipro).
- ✓ North America: the 31.6% growth comes from all product ranges, and particularly the internal parasiticides (continuous increase of Iverhart range), external parasiticides and dermatology that both benefited from new products launches in the first semester. .
- ✓ Latin America: solid growth in Brazil and Columbia both in companion animals and food producing animals segments.
- ✓ Asia: Japan revives its growth due mainly to good performances in dental and dermatology (Cortavance).

5. DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES FOR THE SIX COMING MONTHS

The risk factors to which the Group is exposed, are mentioned in the 2011 Annual report of Virbac, available on the website www.virbac.com. The nature of these risks has not changed significantly in the first half of 2012. These risks are likely to occur in the second half of 2012 or during subsequent years.

6. TRANSACTION WITH RELATED PARTY

Information on related parties is detailed in Note A15 of 2011 financial statements. No changes or significant impact have appeared in the first half of 2012.

II. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. HALF YEARLY CONSOLIDATED FINANCIAL STATEMENTS

1.1. Statement of financial position

in € thousands	Notes	30/06/2012	31/12/2011
Goodwill	A1	92 834	91 487
Intangible assets	A2	93 275	93 735
Tangible assets	A3	133 273	127 137
Other financial assets		1 664	1 275
Investments accounted for by the equity method	A4	12 112	11 826
Deferred tax assets		4 188	4 366
Non-current assets		**337 346**	**329 826**
Inventories and work-in-progress	A5	118 262	111 832
Trade receivables	A6	105 320	87 961
Other financial assets		187	1 142
Other receivables		36 419	34 048
Cash and cash equivalents		53 125	23 826
Held-for-sale assets		-	-
Current assets		**313 313**	**258 809**
Assets		**650 659**	**588 635**
Share capital		10 573	10 893
Reserves attributable to the owners of the parent company		327 098	300 492
Capital and reserves attributable to the owners of the parent company		**337 671**	**311 385**
Non-controlling interests		1 986	2 481
Equity		**339 657**	**313 866**
Deferred tax liabilities		9 618	9 113
Provisions for employee benefits		8 061	7 483
Other provisions		2 336	2 148
Other financial liabilities	A7	126 113	73 417
Other payables		1 740	1 829
Non-current liabilities		**147 868**	**93 990**
Other provisions		655	612
Trade payables	A8	65 582	63 124
Other financial liabilities	A7	11 777	20 120
Other payables		85 120	96 923
Current liabilities		**163 134**	**180 779**
Liabilities		**650 659**	**588 635**

1.2. Income statement

in € thousands	Notes	30/06/2012	30/06/2011	Variation
Revenue from ordinary activities	A9	**349 430**	**314 520**	***11,1%***
Consumed purchases		-108 726	-97 455	
External expenses		-74 168	-71 024	
Staff costs		-92 725	-80 777	
Taxes and duties		-7 506	-6 949	
Depreciations and provisions		-10 616	-9 761	
Other operating income and expenses		77	1 085	
Current operating result		**55 766**	**49 639**	***12,3%***
Other non-recurring income and expenses	A10	1 126	-	
Operating result		**56 892**	**49 639**	***14,6%***
Financial income and expenses	A11	-1 396	-1 073	
Result before tax		**55 496**	**48 566**	***14,3%***
Income tax	A12	-17 151	-15 557	
Share from companies' result accounted for by the equity method		-16	61	
Result for the period		**38 329**	**33 070**	***15,9%***
attributable to the owners of the parent company		37 932	32 600	*16,4%*
attributable to non-controlling interests		397	470	*-15,5%*
Result attributable to the owners of the parent company, per share	A13	4,50 €	3,76 €	*19,8%*
Result attributable to the owners of the parent company, diluted per share	A13	4,50 €	3,76 €	*19,8%*

1.3. Comprehensive income statement

in € thousands	30/06/2012	30/06/2011	Variation
Result for the period	**38 329**	**33 070**	***15,9%***
Change in asset revaluation reserve	-	-	
Actuarial gains and losses	-	-	
Conversion gains and losses	4 820	-12 513	
Gains and losses from revaluation of financial assets available for sale	-	-	
Effective portion of gains and losses on hedging instruments	-844	-626	
Other items of comprehensive income (before tax)	**3 976**	**-13 139**	***-130,3%***
Tax on other items of comprehensive income	290	216	
Share from other items of companies' comprehensive income☐accounted for by the equ	-	-	
Comprehensive income	**42 595**	**20 147**	***111,4%***
attributable to the owners of the parent company	42 205	19 735	*113,9%*
attributable to non-controlling interests	390	412	*-5,3%*

1.4. Cash flow statement

in € thousands	30/06/2012	30/06/2011
Result for the period	**38 329**	**33 070**
Elimination of share from companies' result accounted for by the equity method	16	-61
Elimination of depreciations and provisions	11 526	10 514
Elimination of change in deferred taxes	1 239	-166
Elimination of gains and losses on disposals	-2 232	-18
Other non-cash income and expenses	1 012	333
Cash flow	**49 890**	**43 672**
Impact of net change in inventories	-4 900	-11 918
Impact of net change in trade receivables	-16 000	-12 494
Impact of net change in trade payables	1 929	-9 278
Impact of net change in other receivables and payables	-14 702	-16 681
Impact of change in working capital requirement	**-33 673**	**-50 371**
Net financial interests paid	1 332	1 201
Net cash flow generated by operating activities	**17 549**	**-5 498**
Acquisitions of intangible assets	-2 757	-5 370
Acquisitions of tangible assets	-12 330	-18 611
Disposals of intangible and tangible assets	90	178
Change in financial assets	-553	-129
Change in debts relative to acquisitions	-	734
Acquisitions of subsidiaries or businesses	-1 812	-29 964
Disposals of subsidiaries or businesses	2 452	-
Dividends received	-	-
Net cash allocated to investing activities	**-14 910**	**-53 162**
Dividends paid by the parent company	-14 748	-
Dividends paid to the non-controlling interests	-466	-263
Change in treasury shares	-168	-285
Capital increase/reduction	-	-
Debt issues	53 534	33 993
Debt repayments	-8 718	-2 269
Net financial interests paid	-1 332	-1 201
Net cash from financing activities	**28 102**	**29 975**
Change in cash position	**30 741**	**-28 685**

1.5. Statement of change in cash position

in € thousands	30/06/2012	30/06/2011
Cash and cash equivalents	23 826	39 998
Bank overdrafts	-10 830	-5 430
Accrued interests not yet matured	-38	-20
Opening net cash position	**12 958**	**34 548**
Cash and cash equivalents	53 125	23 518
Bank overdrafts	-8 783	-18 952
Accrued interests not yet matured	-26	-58
Closing net cash position	**44 316**	**4 508**
Impact of conversion adjustments	617	-1 355
Change in cash position	**30 741**	**-28 685**

1.6. Statement of change in equity

in € thousands	Share capital	Share premiums	Reserves	Conversion reserves	Result for the period	Equity attributable to the owners of the parent company	Non-controlling interests	Equity
Equity at 31 december 2010	**10 893**	**6 534**	**215 623**	**3 599**	**63 413**	**300 062**	**2 292**	**302 354**
2010 allocation of net result	-	-	63 413	-	-63 413	**-**	-	**-**
Distribution of dividends	-	-	-13 019	-	-	**-13 019**	-845	**-13 864**
Treasury shares	-	-	-30 399	-	-	**-30 399**	-	**-30 399**
Scope movements	-	-	-	-	-	**-**	-	**-**
Other variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	-92	-2 683	57 516	**54 741**	1 034	**55 775**
Equity at 31 december 2011	**10 893**	**6 534**	**235 526**	**916**	**57 516**	**311 385**	**2 481**	**313 866**
2011 allocation of net result	-	-	57 516	-	-57 516	**-**	-	**-**
Distribution of dividends	-	-	-14 748	-	-	**-14 748**	-574	**-15 322**
Treasury shares	-320	-	685	-	-	**365**	-	**365**
Scope movements	-	-	-1 536	-	-	**-1 536**	-311	**-1 847**
Other variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	-554	4 827	37 932	**42 205**	390	**42 595**
Equity at 30 june 2012	**10 573**	**6 534**	**276 889**	**5 743**	**37 932**	**337 671**	**1 986**	**339 657**

For information, changes in equity of the first half of 2011 were as follows:

in € thousands	Share capital	Share premiums	Reserves	Conversion reserves	Result for the period	Equity attributable to the owners of the parent company	Non-controlling interests	Equity
Equity at 31 december 2010	**10 893**	**6 534**	**215 623**	**3 599**	**63 413**	**300 062**	**2 292**	**302 354**
2010 allocation of net result	-	-	63 413	-	-63 413	**-**	-	**-**
Distribution of dividends	-	-	-13 072	-	-	**-13 072**	-405	**-13 477**
Treasury shares	-	-	176	-	-	**176**	-	**176**
Scope movements	-	-	-	-	-	**-**	-	**-**
Other variations	-	-	-	-	-	**-**	-	**-**
Comprehensive income	-	-	-410	-12 455	32 600	**19 735**	412	**20 147**
Equity at 30 june 2011	**10 893**	**6 534**	**265 730**	**-8 856**	**32 600**	**306 901**	**2 299**	**309 200**

2. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1. Accounting policies and methods

General information note

Virbac is the first independent global pharmaceutical laboratory exclusively dedicated to animal health and markets a full range designed for pets and livestock.
The Virbac share was listed on the Paris stock exchange in section A of the Eurolist.
Virbac is a public limited company under French law with an executive board and supervisory board. Its trading name is “Virbac”. The company was established in 1968 in Carros. Under the company’s current articles of association, the company is set to expire on 2 January 2028 unless further extended. The head office is located at 1ère avenue 2 065 m LID, 06511 Carros. The company is registered on the Grasse Trade registry under the number 417350311 RCS Grasse.

The 2012 condensed half-year consolidated financial statements were approved by the executive board on 31 August 2012.

The explanatory notes below support the presentation of the consolidated accounts and form an integral part of them.

Significant events for the period

On 3 February 2012, the executive board unanimously decided to, as of 17 February 2012:
• cancel 256,352 of its treasury shares acquired under the buyback programme and held by the company at 30 January 2012;
• reduce the share capital by an equal amount, from €10,892,940 to €10,572,500 divided into 8,458,000 shares with a par value of €1.25;
• attribute the difference between the purchase value of the cancelled shares and their nominal value to available reserve.

Early May Virbac divested its business in specialized channels (garden centers, pet stores): hygiene products and parasiticides in France and pet nutrition products in Europe, which account for around 10 M€ turnover on a full year basis with an operating result of €0.6 million. This divestment generated a non recurring net revenue of €1.1 million.

Post-balance sheet events

Virbac acquired on July 2nd, 2012, through its affiliate Virbac New Zealand Ltd, all of the shares of Stockguard Animal Health Ltd and Stockguard laboratories Ltd, located in Hamilton, New-Zealand.
This acquisition amounted to NZ $37.15 million, paid on closing date, July 2nd, 2012. The agreement includes a clause of additional price to pay, whose amount will depend on the level of gross margin reached over the next twelve months following the date of acquisition.
Created in 1987, Stockguard has built up a strong expertise in developing, manufacturing and marketing a range of products for the dairy cattle and sheep markets in New Zealand, in which it enjoys solid leadership positions in intramammaries, injectable antibacterials, reproduction, and vitamin and trace elements. Its current portfolio of new products in development will complement the existing range and further reinforce the company’s position in the market.
Stockguard’s business amounts to around €5,8 million in sales with a good profitability.
Virbac is already present in New Zealand through its affiliate, Virbac New Zealand Ltd. This acquisition is very complementary to its existing business in New Zealand and will consolidate Virbac’s number 5 ranking in the country. It will allow a strategic strengthening of Virbac’s position on the important dairy cattle market in New Zealand and will also open further opportunities for future expansion in this segment in the other regions of the world.

Through this transaction, Virbac has acquired all business and assets of Stockguard, including its manufacturing equipment, with an option to further buy the land and buildings currently owned by a separate entity controlled by Stockguard's owners.
The transaction being closed on July 2nd, 2012, it has not been accounted in the consolidated financial statements as of June 30, 2012.
These operation constituting a company consolidation within the meaning of IFRS 3 as revised will be reported as such in the 2012 full year consolidated financial statements. The price allocation is being reviewed.

Scope of consolidation

The condensed consolidated financial statements as at 30 June 2012 include the financial statements of the companies that Virbac controls indirectly or directly, in law and in fact. The list of consolidated companies is provided in note A16.

Main accounting principles applied

The Virbac group's consolidated financial statements were drawn up in line with the international accounting standards as adopted by the European Union (accounting basis available on the ec.europa.eu website). The international accounting standards include the IFRS (International financial reporting standards), the IAS (International accounting standards) and their interpretations, SIC (Standards interpretations committee) and IFRIC (International financial reporting interpretations committee).

The half-year condensed financial statements as of June 30, 2012, are presented and have been prepared in accordance with standard IAS 34 « Interim Financial Reporting ». The condensed interim financial statements don't include the whole information required by the IFRS reference system. They should be analyzed with the consolidated statements of the previous year's balance sheet date, as of December 31, 2011.
The accounting principles applied to the condensed consolidated financial statements are identical to the ones applied to the preparation of the consolidated statements of the previous year's balance sheet date, as of 31 December 2011.

For the presentation of the condensed consolidated financial statements as of June 30, 2012, the Group applied all the standards and interpretations in force at European level applicable for fiscal years beginning on January 1st, 2012. These standards and interpretations are as follows:

- IFRS 7 amended, "information to be provided – transfers of financial assets", applicable to periods beginning on or after 1 July 2011;

On the end date of these consolidated accounts, the following standards and interpretations were adopted by the European Union and applicable by anticipation:

- IAS 1 amended, "presentation of other elements of comprehensive income", applicable to periods beginning on or after 1 July 2012;
- IAS 19 amended, "employee benefits", applicable to periods beginning on or after 1 January 2013.

The Group is currently performing an analysis on the practical consequences of these new texts and the effects of their application on the accounts. Where necessary, the Group will apply these standards in its 2012 full year financial statements.

On the end date of these consolidated accounts, the following standards and interpretations were submitted by IASB (International accounting standards board) but still not adopted by the European Union or not applicable by anticipation:

- IFRS 1 amended, "serious hyperinflation and removal of fixed adoption dates for new adoptions", applicable to periods beginning on or after 1 July 2011;
- IFRS 1 amended, "government loans", applicable to periods beginning on or after 1 January 2013;
- IFRS 7 amended, "information to be provided – compensation of financial assets and liabilities", applicable to periods beginning on or after 1 January 2013;
- IFRS 9, "financial instruments", applicable to periods beginning on or after 1 January 2015;
- IFRS10, "consolidated financial statements", applicable to periods beginning on or after 1 January 2013;

- IFRS 11, “joint arrangements”, applicable to periods beginning on or after 1 January 2013;
- IFRS 12, “disclosure of interests in other entities”, applicable to periods beginning on or after 1 January 2013;
- IFRS 13, “fair value measurement”, applicable to periods beginning on or after 1 January 2013;
- IAS 12 amended, “recovery of underlying assets”, applicable to periods beginning on or after 1 January 2012;
- IAS 27 amended, “separate financial statement”, applicable to periods beginning on or after 1 January 2013;
- IAS 28 amended, “investments in associates and joint ventures”, applicable to periods beginning on or after 1 January 2013;
- IAS 32 amended, “compensation of financial assets and liabilities”, applicable to periods beginning on or after 1 January 2014;
- IFRIC 20, “stripping costs in the production phase of a surface mine”, applicable to periods beginning on or after 1 January 2013;

The Group is currently performing an analysis on the practical consequences of these new texts and the effects of their application on the accounts. Where necessary, the Group will apply these standards in its financial statements when adopted by the European Union.

Consolidations rules

Consolidation method

The accounts of companies under exclusive control are consolidated by global integration. Those companies over which Virbac exercises joint control or significant influence are accounted for by the equity method.
All companies have been consolidated on the basis of financial statements using 30 June 2012 as their balance sheet date.

Conversion of financial statements

The functional currency in the Group's foreign subsidiaries is the current local currency with the exception of the company Santa Elena in Uruguay whose functional currency is US dollar.
The financial statements of foreign companies for which the functional currency is not the euro are converted according to the following principles:

- the balance sheet items are converted at the rate in force at the close of the period. The translation difference resulting from the application of a different exchange rate on opening equity is shown as equity in the consolidated balance sheet;
- the income statements are converted at the average rate for the period. The translation difference resulting from the application of an exchange rate different from the balance sheet rate is shown as equity on the consolidated balance sheet.

Elimination of inter-company transactions

All reciprocated transactions consolidated between the Group's companies by overall inclusion are eliminated.
Relating to other intra-group transactions:

- the benefits included in the inventories and fixed assets bought from other companies in the Group are eliminated;
- the intra-group dividends received are recorded in the reserves on a gross basis.

Estimations

The drawing up of consolidated financial statements prepared in accordance with international accounting standards implies that the Group makes a number of estimates and assumptions believed to be realistic and reasonable.
Certain facts and circumstances could lead to changes in estimates and assumptions, which could affect the value of assets, liabilities, equity and Group income.

Acquisition prices

Some acquisition contracts relating to company regrouping or the purchase of intangible assets, include a clause likely to change the price of the acquisition, depending on the objectives associated with financial income, the obtainment of marketing authorisation, or results of efficacy testing.
In this case, the Group should estimate, at the close of the fiscal year, the acquisition price based on the most realistic assumptions for achieving these objectives.

Tax charge

The Group tax charge is calculated on the basis of the recognized tax rate estimated for the period. This rate, fixed using the effective tax rates in the fiscal entities of the Group, is applied to the profit before tax.

2.2. Notes

A1. Goodwill

in € thousands	Gross value as at 31/12/2011	Impairment of value as at 31/12/2011	Net book value as at 31/12/2011	Increments	Sales	Impair-ment of value	Transfers	Conversion gains & losses	Net book value as at 30/06/2012
CGU Italie	1 585	-	**1 585**	-	-	-	-	-	**1 585**
CGU Danemark	4 642	-	**4 642**	-	-	-	-	-	**4 642**
CGU Vaccin Leishmaniose	5 421	-	**5 421**	-	-	-	-	-	**5 421**
CGU Grèce	1 358	-	**1 358**	-	-	-	-	-	**1 358**
CGU Colombie	2 376	-	**2 376**	-	-	-	-	210	**2 586**
CGU Inde	16 442	-	**16 442**	-	-	-	-	-312	**16 130**
CGU Etats-Unis	51 286	-3 169	**48 117**	-	-	-	-	1 289	**49 406**
CGU Australie	7 548	-392	**7 156**	-	-	-	-	183	**7 339**
Other CGU	7 832	-3 442	**4 390**	-	-43	-	-	20	**4 367**
Goodwill	**98 490**	**-7 003**	**91 487**	**-**	**-43**	**-**	**-**	**1 390**	**92 834**

The review of qualitative and quantitative indicators related to goodwill did not reveal any indication of impairment from the opening balance sheet.

A2. Intangibles assets

in € thousands	Concessions, patents, licences & brands – Undefined life	Concessions, patents, licences & brands – Defined life	Other intangible assets – Defined life	Intangible assets in progress	Intangible assets
Gross value as at 31/12/2011	**54 596**	**59 214**	**34 995**	**2 896**	**151 701**
Acquisitions	-	894	994	799	**2 687**
Sales	-122	-231	-2	-	**-355**
Changes in scope	-	-	-	-	**-**
Transfers	-	403	471	-383	**491**
Conversion gains & losses	240	552	96	8	**896**
Gross value as at 30/06/2012	**54 714**	**60 832**	**36 554**	**3 320**	**155 420**
Depreciation as at 31/12/2011	**-6 613**	**-25 870**	**-25 483**	**-**	**-57 966**
Allowances	-204	-1 923	-1 689	-	**-3 816**
Reversals	192	-	-	-	**192**
Sales	-	231	2	-	**233**
Changes in scope	-	-	-	-	**-**
Transfers	-	-396	-	-	**-396**
Conversion gains & losses	-56	-248	-88	-	**-392**
Depreciation as at 31/06/2012	**-6 681**	**-28 206**	**-27 258**	**-**	**-62 145**
Net value as at 31/12/2011	**47 983**	**33 344**	**9 512**	**2 896**	**93 735**
Net value as at 30/06/2012	**48 033**	**32 626**	**9 296**	**3 320**	**93 275**

The review of qualitative and quantitative indicators relating to intangible assets did not reveal any indication of impairment from the opening balance sheet.

A3. Tangible assets

in € thousands	Lands	Constructions	Technical facilities, materials & industrial equipment	Other tangible assets	Tangible assets in progress	Tangible assets
Gross value as at 31/12/2011	**12 607**	**111 147**	**87 558**	**19 397**	**15 410**	**246 119**
Acquisitions	138	1 511	2 652	682	7 073	**12 056**
Sales	-	-337	-65	-193	-8	**-603**
Changes in scope	-	-	-	-	-	**-**
Transfers	-	546	1 207	379	-2 317	**-185**
Conversion gains & losses	379	750	784	335	82	**2 330**
Gross value as at 30/06/2012	**13 124**	**113 617**	**92 136**	**20 600**	**20 240**	**259 717**
Depreciation as at 31/12/2011	**-**	**-54 026**	**-53 459**	**-11 497**	**-**	**-118 982**
Allowances	-	-2 598	-3 232	-1 245	-	**-7 075**
Reversals	-	-	-	-	-	**-**
Sales	-	216	65	178	-	**459**
Changes in scope	-	-	-	-	-	**-**
Transfers	-	63	193	-166	-	**90**
Conversion gains & losses	-	-300	-440	-196	-	**-936**
Depreciation as at 31/06/2012	**-**	**-56 645**	**-56 873**	**-12 926**	**-**	**-126 444**
Net value as at 31/12/2011	**12 607**	**57 121**	**34 099**	**7 900**	**15 410**	**127 137**
Net value as at 30/06/2012	**13 124**	**56 972**	**35 263**	**7 674**	**20 240**	**133 273**

The increase in this item, including tangible assets in progress, is mainly related to renovations of the buildings in Fort Worth in the United States, the redesign and expansion of the unit vaccines, as well as to build a new production at the site of Carros in France.

A4. Share in companies accounted for by the equity method

in € thousands	Company's individual accounts using quity method				Consolidated accounts	
	Balance sheet total	Equity	Net sales	Net result	Share of equity	Share of result
German company	-	776	-	-	373	-
South African company	-	-	-	-	1	-
Santa Elena (Uruguay)	7 780	4 960	3 865	510	3 501	153
SBC Virbac Limited (Hong Kong)	4 528	2 684	682	-345	8 237	-169
Share in companies accounted for by the equity method					**12 112**	**-16**

A5. Inventory and work in progress

in € thousands	Raw materials & supplies	Work in progress	Finished goods & merchandises	Inventories & work in progress
Gross value as at 31/12/2011	**37 721**	**8 592**	**72 716**	**119 029**
Variations	1 043	2 217	1 905	**5 165**
Changes in scope	-	-	-	**-**
Transfers	-	-	499	**499**
Conversion gains & losses	458	-6	1 225	**1 677**
Gross value as at 30/06/2012	**39 222**	**10 803**	**76 345**	**126 370**
Depreciation as at 31/12/2011	**-1 953**	**-624**	**-4 620**	**-7 197**
Allowances	-746	-1 160	-1 388	**-3 294**
Reversals	629	624	1 770	**3 023**
Changes in scope	-	-	-	**-**
Transfers	-	-	-499	**-499**
Conversion gains & losses	3	-	-144	**-141**
Depreciation as at 31/06/2012	**-2 067**	**-1 160**	**-4 881**	**-8 108**
Net value as at 31/12/2011	**35 768**	**7 968**	**68 096**	**111 832**
Net value as at 30/06/2012	**37 155**	**9 643**	**71 464**	**118 262**

A6. Trade receivables

in € thousands	Trade receivables
Gross value as at 31/12/2011	**91 212**
Variations	**16 029**
Changes in scope	**-**
Transfers	**-**
Conversion gains & losses	**1 382**
Gross value as at 30/06/2012	**108 623**
Depreciation as at 31/12/2011	**-3 251**
Allowances	**-202**
Reversals	**173**
Changes in scope	**-**
Transfers	**-**
Conversion gains & losses	**-23**
Depreciation as at 31/06/2012	**-3 303**
Net value as at 31/12/2011	**87 961**
Net value as at 30/06/2012	**105 320**

A7. Other financial liabilities

Change in other financial liabilities

in € thousands	31/12/2011	Increases	Decreases	Changes in scope	Transfers	Conversion gains & losses	30/06/2012
Loans	**71 178**	52 988	-691	-	-	525	**124 000**
Bank overdrafts	**-**	-	-	-	-	-	**-**
Accrued interests not yet matured	**-**	-	-	-	-	-	**-**
Debt relating to leasing contracts	**1 965**	-	-	-	-343		**1 622**
Employee benefit sharing	**6**	13	-	-	-	1	**20**
Derivative exchange and interest rate instruments	**241**	230	-	-	-	-	**471**
Others	**27**	-	-27	-	-	-	**-**
Other non-current financial liabilities	**73 417**	**53 231**	**-718**	**-**	**-343**	**526**	**126 113**
Loans	**6 835**	684	-6 735	-	-	402	**1 186**
Bank overdrafts	**10 830**	-	-2 098	-	-	51	**8 783**
Accrued interests not yet matured	**38**	-	-12	-	-	-	**26**
Debt relating to leasing contracts	**975**	-	-693	-	343	7	**632**
Employee benefit sharing	**568**	63	-472	-	-	5	**164**
Derivative exchange and interest rate instruments	**874**	112	-	-	-	-	**986**
Others	**-**	-	-	-	-	-	**-**
Other non-current financial liabilities	**20 120**	**859**	**-10 010**	**-**	**343**	**465**	**11 777**
Other financial liabilities	**93 537**	**54 090**	**-10 728**	**-**	**-**	**991**	**137 890**

The increase in "borrowing" is done mainly to draw on credit line to finance external growth.

Others financial liabilities by maturity

June 30th, 2012

	Maturity			Total
in € thousands	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	1 186	124 000	-	**125 186**
Bank overdrafts	8 783	-	-	**8 783**
Accrued interests not yet matured	26	-	-	**26**
Debt relating to leasing contracts	632	1 622	-	**2 254**
Employee benefit sharing	164	20	-	**184**
Derivative exchange and interest rate instruments	986	471	-	**1 457**
Others	-	-	-	**-**
Other financial liabilities	**11 777**	**126 113**	**-**	**137 890**

December 31th, 2011

	Maturity			Total
in € thousands	less than 1 year	from 1 to 5 years	more than 5 years	
Loans	6 835	71 178	-	**78 013**
Bank overdrafts	10 830	-	-	**10 830**
Accrued interests not yet matured	38	-	-	**38**
Debt relating to leasing contracts	975	1 965	-	**2 940**
Employee benefit sharing	568	6	-	**574**
Derivative exchange and interest rate instruments	874	241	-	**1 115**
Others	-	27	-	**27**
Other financial liabilities	**20 120**	**73 417**	**-**	**93 537**

A8. Trade payables

in € thousands	31/12/2011	Variations	Changes in scope	Transfers	Conversion gains & losses	30/06/2012
Current trade payables	**62 471**	2 571	-	-235	464	**65 271**
Payables on intangible assets	**121**	-70	-	-	-	**51**
Payables on tangible assets	**532**	-274	-	-	2	**260**
Trade payables	**63 124**	**2 227**	**-**	**-235**	**466**	**65 582**

A9. Revenue from ordinary activities

in € thousands	30/06/2012	30/06/2011	*Variation*
Sales of finished goods and merchandise	384 418	344 481	*11,6%*
Services	20	12	*66,7%*
Additional income from activity	631	516	*22,3%*
Royalties paid	51	68	*-25,0%*
Gross sales	**385 120**	**345 077**	***11,6%***
Discounts, rebates & refunds on sales	-29 007	-24 634	*17,8%*
Expenses deducted from sales	-4 877	-4 237	*15,1%*
Settlement discounts	-1 738	-1 458	*19,2%*
Provision for returns	-68	-228	*-70,2%*
Expenses deducted from sales	**-35 690**	**-30 557**	***16,8%***
Revenue from ordinary activities	**349 430**	**314 520**	***11,1%***

A10. Others non-recurring income and expenses

As at June 30, 2012, other non-recurring income and expenses are related to the sale of OTC activities, in the following format:

in € thousands	30/06/2012
Selling price of OTC activities	2 452
Net book value of assets sold	-176
Costs linked to the sale of OTC activities	-1 150
Other non recurring income & expenses	**1 126**

As at June 30, 2011, no other non-current income or expense were recognized.

A11. Financial income and expenses

in € thousands	30/06/2012	30/06/2011	Variation
Gross cost of financial debt	-1 714	-1 589	*7,9%*
Income from cash & cash equivalents	382	388	*-1,5%*
Net cost of financial debt	**-1 332**	**-1 201**	***10,9%***
Foreign exchange losses	-2 070	-801	*158,4%*
Foreign exchange gains	2 245	1 039	*116,1%*
Changes in exchange and interest rate derivatives	-452	-2	*- %*
Other financial charges	-	-151	*- %*
Other financial income	213	43	*395,3%*
Other financial income & expenses	**-64**	**128**	***-150,0%***
Financial income & expenses	**-1 396**	**-1 073**	***30,1%***

A12. Income tax

in € thousands	30/06/2012 Base	30/06/2012 Tax	30/06/2011 Base	30/06/2011 Tax
Result before tax	**55 496**		**48 566**	
Reprocessing of research tax credit	-2 961		-2 245	
Result before tax, after adjustments	**52 535**		**46 321**	
Current tax for French companies		-2 478		-3 306
Current tax for foreign companies		-13 434		-12 417
Current tax		**-15 912**		**-15 723**
Deferred tax for French companies		-518		456
Deferred tax for foreign companies		-721		-290
Deferred tax		**-1 239**		**166**
Tax accounted for		**-17 151**		**-15 557**
Effective tax rate		*32,65%*		*33,59%*
Theoretical tax rate		*34,43%*		*34,43%*
Theoretical tax		**-18 088**		**-15 948**
Difference between theoretical tax and recorded tax		**-937**		**-391**

In accordance with IAS 34, in the financial statements at 30 June 2012, the tax charge was determined by applying to the profit before tax for the period the average tax rate estimated for the year.

A13. Result per share

in € thousands	30/06/2012	30/06/2011
Result attributable to the owners of the parent company	**37 931 680 €**	**32 600 142 €**
Total number of shares	8 458 000	8 714 352
Impact of dilutive instruments	N.A.	N.A.
Number of treasury shares	28 057	35 672
Outstanding shares	8 429 943	8 678 680
Result attributable to the owners of the parent company, per share	**4,50 €**	**3,76 €**
Result attributable to the owners of the parent company, diluted per share	**4,50 €**	**3,76 €**

Treasury shares

As at June 30, 2012, Virbac held treasury shares intended to supply plans to award performance shares and the implementation of a capital reduction by cancellation of the Company of all or part of the securities purchased. The amount of these shares is recorded as a reduction of equity.
Some plans being matured during the period, employees have exercised their rights. As at June 30, 2012, the number of shares amounted to 28,057 (against 35,672 shares as at June 30, 2011) for a total of €3 030 thousands.

A14. Operational sectors

In accordance with IFRS 8, the Group provides a segment as used internally by the chief operating decision maker (PDO).

The segment reporting of the Group is the geographical area. The breakdown by geographic area is made on seven sectors, according to the location of assets of the Group:
• France;
• Europe (excluding France);
• Latin America;
• North America;
• Asia
• Pacific
• Africa & Middle East.

The Group's operations are organized and managed separately according to the nature of the markets. There are two marketing segments that are pets and farm animals. These can not be considered as a segment information for the reasons listed below:
• Nature of products: most therapeutic segments are common pets and farm animals (antibiotics, pesticides ...)
• production processes: the production lines are common to both segments and there is no significant differentiation of supply sources;
• type or category of customers: the distinction is made between the ethical sector (veterinarians) and OTC (Over the counter);
• internal organization: the management structures of the Virbac Group are organized by geographical areas. No, at Group level, responsibility for marketing segment;
• distribution methods: the main distribution channels are more dependent on countries that segment marketing. The sales force may be, in some cases, common to both segments marketing;
• nature of the regulatory environment means the bodies authorizing the placing on the market are the same regardless of the segment.

In the information presented below, the areas correspond to geographical areas (areas of implementation of the Group's assets).

June 30th, 2012

in € thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	65 293	99 069	27 937	57 927	12 199	43 228	43 777	**349 430**
Operating result	11 796	9 656	2 873	17 186	1 926	5 456	7 999	**56 892**
Result attributable to the owners of the parent company	7 925	6 349	1 910	10 961	1 338	3 887	5 562	**37 932**
Non-controlling interests	7	390	-	-	-	-	-	**397**
Consolidated result	**7 932**	**6 739**	**1 910**	**10 961**	**1 338**	**3 887**	**5 562**	**38 329**

June 30th, 2011

in € thousands	France	Europe (excluding France)	Latin America	North America	Asia	Pacific	Africa & Middle East	Total
Revenue from ordinary activities	70 085	85 066	22 434	44 123	36 651	42 429	13 732	**314 520**
Operating result	9 169	9 276	3 121	13 445	4 956	7 117	2 555	**49 639**
Result attributable to the owners of the parent company	5 603	5 928	2 017	8 674	3 623	4 933	1 822	**32 600**
Non-controlling interests	5	386	-	-	79	-	-	**470**
Consolidated result	**5 608**	**6 314**	**2 017**	**8 674**	**3 702**	**4 933**	**1 822**	**33 070**

A15. Information on related parties

Gross executive compensation

	Fixed remuneration (including fringe benefits)	Compensation linked to terms of office for administrators in Group companies	Variable compensation	Total remuneration
Éric Marée	150 869 €	30 750 €	73 405 €	**255 024 €**
Pierre Pagès	103 045 €	29 200 €	43 913 €	**176 158 €**
Christian Karst	100 387 €	19 000 €	43 508 €	**162 895 €**
Michel Garaudet	90 479 €	6 050 €	22 174 €	**118 703 €**
Jean-Pierre Dick	18 000 €	-	7 619 €	**25 619 €**
Total	**462 780 €**	**85 000 €**	**190 619 €**	**738 399 €**

Compensation paid in respect of the 2012 financial half-year corresponds with the fixed compensation paid in 2011, the compensation linked to the offices of the directors in the Group's companies paid in 2012, the variable compensation related to the period and to the benefits in kind awarded in 2012 (company vehicle).

Calculation criteria for the variable portion

The variable compensation of members of the executive board depends on a series of shared goals:
- sales growth;
- growth in operating profit from ordinary activities;
- as well as specific goals;

Others benefits

In addition to the various compensation items, members of the executive board enjoy the following benefits.

Retirement

A supplementary defined benefit pension plan (12.5% of reference salary and 22% in the event of over 30 years' service) granted on the following terms:
- over ten years service in the Group (including nine years as a member of the executive board);
- be at least 60;
- finish his/her career in the Group.

Severance pay

The commitments made by the company and the companies it controls to its managers in the event their offices are terminated are as follows:
- Éric Marée: 483,000;
- Pierre Pagès: 404,000;
- Christian Karst: 326,000.

Allocation of stock grants

In accordance with authorisation from the shareholders' general meeting, the Virbac executive board awarded in 2010 and 2011 the allocation of stock grants to certain Virbac employees and directors and those of its subsidiaries. These allocations are subject to meeting a performance target linked to the profitability and net debt of the Group, to be found respectively at the end of the 2011 and 2012 financial years.

The stock grants awarded under the 2010 and 2011 plans respectively amount to 12,000 shares and 10,000 shares.

The stock grants awarded to executive board members in 2010 and 2011 were as follows:

	Number of shares 2010 plan	Number of shares 2011 plan
Éric Marée	1 460	1 150
Pierre Pagès	1 080	850
Christian Karst	1 000	820
Michel Garaudet	665	510
Total	**4 205**	**3 330**

A16. Scope of consolidation

Company name	Locality	Country	Control as at 30/06/2012	Control as at 31/12/2011
Virbac (société mère)	Carros	France	100,00%	100,00%
Interlab	Carros	France	100,00%	100,00%
Virbac France	Carros	France	100,00%	100,00%
Virbac Belgium SA	Wavre	Belgium	75,27%	75,27%
Virbac Nederland BV *	Barneveld	Netherlands	75,28%	75,28%
Virbac (Switzerland) AG	Glattbrugg	Switzerland	100,00%	100,00%
Virbac Ltd	Bury St. Edmunds	United Kingdom	100,00%	100,00%
Virbac SRL	Milan	Italy	100,00%	100,00%
Virbac do Brasil Industria e Comercio Ltda	São Paulo	Brazil	100,00%	100,00%
Virbac Danmark A/S	Kolding	Denmark	100,00%	100,00%
Virbac Mexico SA de CV	Guadalajara	Mexico	100,00%	100,00%
Laboratorios Virbac Mexico SA de CV	Guadalajara	Mexico	100,00%	100,00%
Virbac Pharma Handelsgesellshaft mbH	Bad Oldesloe	Germany	100,00%	100,00%
Virbac Tierarzneimittel GmbH	Bad Oldesloe	Germany	100,00%	100,00%
Virbac SP zoo	Varsovie	Poland	100,00%	100,00%
Soparlic	Carros	France	- %	100,00%
Virbac Distribution	Wissous	France	100,00%	100,00%
Virbac Nutrition	Vauvert	France	100,00%	100,00%
Dog N'Cat International	Vauvert	France	100,00%	100,00%
Bio Veto Test	La Seyne sur Mer	France	100,00%	100,00%
Virbac Trading (Shanghai) Co. Ltd	Shanghai	China	100,00%	100,00%
Virbac H.K. Trading Limited	Hong Kong	Hong Kong	100,00%	100,00%
Francodex Santé Animale	Carros	France	- %	99,60%
Virbac Hellas SA	Agios Stefanos	Greece	100,00%	100,00%
Animedica SA	Agios Stefanos	Greece	100,00%	100,00%
Virbac España SA	Barcelone	Spain	100,00%	100,00%
Virbac Österreich GmbH	Vienne	Austria	100,00%	100,00%
Virbac Korea Co. Ltd	Séoul	South Korea	100,00%	100,00%
Virbac (Thailand) Co. Ltd	Bangkok	Thailand	100,00%	100,00%
Virbac Taiwan Co. Ltd	Taïpei	Taiwan	100,00%	100,00%
Virbac Colombia Ltda	Bogota	Colombia	100,00%	100,00%
Virbac Philippines Inc.	Pasig City	Philippines	100,00%	100,00%
Virbac Japan Co. Ltd	Osaka	Japan	100,00%	100,00%
Laboratorios Virbac Costa Rica SA	San José	Costa Rica	100,00%	100,00%
Virbac Asia Pacific Co. Ltd	Bangkok	Thailand	100,00%	100,00%
Virbac de Portugal Laboratorios Lda	Almerim	Portugal	100,00%	100,00%
Virbac Vietnam Co. Ltd	Ho Chi Minh Ville	Vietnam	100,00%	75,00%
Virbac RSA (Proprietary) Ltd *	Centurion	South Africa	100,00%	100,00%
Alfamed	Carros	France	99,70%	99,70%
Virbac Animal Health India Private Limited	Mumbai	India	100,00%	100,00%
Virbac Corporation *	Fort Worth	United States	100,00%	100,00%
PP Manufacturing Corporation	Framingham	United States	100,00%	100,00%
Virbac (Australia) Pty Ltd *	Milperra	Australia	100,00%	100,00%
Virbac New Zealand Limited	Auckland	New Zealand	100,00%	100,00%
Number of companies consolidated by global integration			**42**	**44**
German company	-	-	23,99%	23,99%
Santa Elena SA	-	-	30,00%	30,00%
SBC Virbac Limited *	-	-	49,00%	49,00%
Number of companies consolidated by the equity method			**3**	**3**
Number of companies incorporated in the consolidation			**45**	**47**

**pre-consolidated levels*

III. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF YEARLY FINANCIAL REPORT 2012

I certify that, to my knowledge, condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Virbac consolidated group of companies, and that the half yearly management report provided a fair description of the material events that occurred during the first six months of this financial year as well as their impact on the financial statements, the principal risks and uncertainties for the remaining six months of the year.

Carros, August 31, 2012

Éric Marée
Chairman of the executive board

IV. STATUTORY AUDITORS' REVIEW REPORT ON FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2012

Period from January 1 to June 30, 2012

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional reviewing standards applicable in France.

To the Shareholders,

In accordance with the assignment entrusted to us by your Annual General Meeting and in accordance with Article L.451-1-2 of the French Monetary and Financial Code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying condensed consolidated financial statements of Virbac for the period from January 1 to June 30, 2012;
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information provided in the interim management report commenting the condensed half-year consolidated financial statements subject to our review.
We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Nice and Marseille, August 31, 2012

The Statutory Auditors

French original signed by

Novances - David & Associés	Deloitte & Associés
Christian DECHANT	Hugues DESGRANGES