



First Quarter - September 2014 Webcast and Conference Call November 12, 2014

Participant Dial-in Numbers

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Cautionary Statements

Forward-Looking Statements

This communication contains forward-looking statements, which reflect Phibro's current views with respect to business plans or prospects, future operating or financial performance, expectations regarding future use of cash and dividend payments, and other future events. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "believe," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. These statements are not guarantees of future performance or actions. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialize, or if management's underlying assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Forward-looking statements speak only as of the date on which they are made. Phibro expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, including in the sections thereof captioned "Forward-Looking Statements" and "Risk Factors." These filings and subsequent filings are available online at www.sec.gov, www.pahc.com, or on request from Phibro.

Non-GAAP Financial Information

Non-GAAP Financial Information: We use non-GAAP financial measures, such as adjusted EBITDA, adjusted net income and pro forma adjusted diluted earnings per share, to assess and analyze our operational results and trends and to make financial and operational decisions. Management uses adjusted EBITDA as its primary operating measure. We report Adjusted Net Income to portray the results of our operations prior to considering certain income statement elements. We report pro forma adjusted diluted earnings per share to reflect the pro forma effects of the IPO and refinancing on all periods presented. We believe these non-GAAP financial measures are also useful to investors because they provide greater transparency regarding our operating performance. The non-GAAP financial measures included in this communication should not be considered alternatives to measurements required by GAAP, such as net income, operating income, and earnings per share, and should not be considered measures of liquidity. These non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies. Reconciliation of non-GAAP financial measures and GAAP financial measures are included in the tables accompanying this communication and/or our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q.

Internet Posting of Information

We routinely post information that may be important to investors in the "Investors" section of our website at www.pahc.com. We encourage investors and potential investors to consult our website regularly for important information about us.



Participants

Jack Bendheim

Chairman, President, Chief Executive Officer

Richard Johnson

Chief Financial Officer



Overview

- Strong quarter – Animal Health and Mineral Nutrition
- \$6 million licensing revenue from vaccine delivery technology
 - Includes acceleration of \$4 million originally expected in FY2016

Q1 Results – September 2014

- Consolidated sales +16%
 - Animal Health +16%
 - Mineral Nutrition +20%
 - Performance Products stable
 - +12% sales growth, ex-licensing
- Adjusted EBITDA +41%
 - +13% EBITDA growth, ex-licensing
- Adjusted diluted EPS of \$0.51

2013 reflects the pro forma effects of the IPO and refinancing. Adjustments exclude intangible amortization expense, stock-based compensation expense and foreign currency gains or losses. Adjusted EPS reflects cash income taxes paid.

Consolidated					
For the three months ended September 30					
(in millions, except per share)	2014	2013	Change		
MFAs and other	\$ 80.8	\$ 78.0	\$ 2.8	4%	
Nutritional specialties	19.5	14.1	5.4	38%	
Vaccines	16.9	9.1	7.9	87%	
Animal Health	117.2	101.2	16.1	16%	
Mineral Nutrition	55.4	46.2	9.3	20%	
Performance Products	14.8	14.9	(0.1)	(1)%	
Net sales	187.5	162.2	25.2	16%	
Gross profit	60.3	49.5	10.8	22%	
<i>% of net sales</i>	32.2%	30.5%			
SG&A	35.2	33.1	2.1	6%	
<i>% of net sales</i>	18.8%	20.4%			
Adjusted EBITDA	\$ 30.5	\$ 21.6	\$ 8.9	41%	
<i>% of net sales</i>	16.2%	13.3%		+290bps	
Adjusted EPS	\$ 0.51	\$ 0.30	\$ 0.21	72%	



Animal Health

- Sales +16%; +10% ex-licensing
 - Largely volume growth; selected pricing actions
 - MFAs and Other: Latin America, Asia Pacific
 - Nutritional specialties: dairy focus in U.S. and EU
 - Vaccines: volume growth; +20% ex-licensing
 - \$6 million licensing revenue

Animal Health					
For the three months ended September 30					
(in millions)	2014	2013	Change		
MFAs and other	\$ 80.8	\$ 78.0	\$ 2.8	4%	
Nutritional specialties	19.5	14.1	5.4	38%	
Vaccines	16.9	9.1	7.9	87%	
Net sales	\$ 117.2	\$ 101.2	\$ 16.1	16%	
Adjusted EBITDA	\$ 32.5	\$ 24.1	\$ 8.3	35%	
<i>% of segment net sales</i>	27.7%	23.8%		+390bps	

- Adjusted EBITDA +35%; +10% ex-licensing
 - Operating margin stable, ex-licensing
 - Gross profit growth primarily due to volumes
 - Continued operating expense investment behind growth initiatives



Other Segments

Mineral Nutrition

- Primarily volume growth
- Margins improved on increased demand

Performance Products

- Stable sales and adjusted EBITDA

Corporate

- Public company costs

For the three months ended September 30					
	(in millions)	2014	2013	Change	
Mineral Nutrition					
Net sales		\$ 55.4	\$ 46.2	\$ 9.3	20%
Adjusted EBITDA		\$ 3.5	\$ 2.5	\$ 1.0	41%
<i>% of segment net sales</i>		6.3%	5.3%		+100bps
Performance Products					
Net sales		\$ 14.8	\$ 14.9	\$ (0.1)	(1)%
Adjusted EBITDA		\$ 1.0	\$ 1.1	\$ (0.1)	(5)%
<i>% of segment net sales</i>		7.0%	7.4%		-040bps
Corporate					
Adjusted EBITDA		\$ (6.5)	\$ (6.1)	\$ (0.4)	*

* Calculation not meaningful



Capitalization and Capital Allocation

September 30, 2014

- 2.9x leverage ratio
 - \$289 million total debt
 - \$99.5 million LTM adjusted EBITDA
- \$20 million cash on hand
- \$13 million net cash flow before financing for the quarter
- Financing activities
 - \$3.9 million quarterly dividend
 - \$0.9 million scheduled debt reduction
- Dividend declared
 - \$0.10 per common share
 - Payable December 23, 2014



Guidance – FY June 2015

- Updated for additional \$4 million licensing revenue and profit accelerated into FY2015. We had previously expected achievement of the regulatory milestone in FY2016.
- FY2015 guidance includes total of \$8 million licensing revenue and profit.

Consolidated						
For the years ended June 30						
<i>(in millions, except per share)</i>	2015 Guidance		2014 Reported	Change		
Net sales	\$ 739	- \$ 759	\$ 692	7%	-	10%
Adjusted EBITDA	\$ 103	- \$ 107	\$ 91	14%	-	18%
Pro forma Adjusted EPS	\$ 1.57	- \$ 1.62	\$ 1.22	28%	-	32%



Questions and Answers



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