



February 6, 2017

Phibro Animal Health Corporation Reports Second Quarter

TEANECK, N.J., Feb. 06, 2017 (GLOBE NEWSWIRE) -- Phibro Animal Health Corporation (NASDAQ:PAHC) today announced its financial results for its second quarter ended December 31, 2016.

Highlights for the December 2016 quarter (compared to the December 2015 quarter)

- | Net sales of \$192 million, equal to the prior year
- | Net income of \$13 million, a decrease of \$16.8 million, or 56%
- | Diluted EPS of \$0.34, a decrease of \$0.41, or 56%
- | Adjusted EBITDA of \$31 million, an increase of \$3 million, or 10%
- | Adjusted diluted EPS of \$0.39, an increase of \$0.02, or 5%

COMMENTARY

"We are very pleased with our second quarter performance, as we resumed delivering double-digit growth in Adjusted EBITDA," said Jack Bendheim, Phibro's Chairman, President and Chief Executive Officer. "Our core Animal Health segment grew revenue 2%, and I want to especially recognize our U.S. Animal Health business which delivered both top line and bottom line growth in a quarter where our industry prepared to fully align itself with the voluntary removal of production claims on medically important antibacterials. While we expect continued reduction of antibacterial usage in the U.S., we believe we have the broad product portfolio to continue to grow while providing our customers with products to help them maintain the health of their animals. As a whole, we are well positioned for strengthening top line growth once the current cycles of weakness in the world wide dairy and Brazilian markets bottom out."

QUARTERLY RESULTS

Net sales

Net sales of \$191.6 million for the three months ended December 31, 2016, decreased \$0.2 million, or less than 1%, as compared to the three months ended December 31, 2015. Animal Health grew \$2.2 million, while Mineral Nutrition and Performance Products declined \$2.2 million and \$0.2 million, respectively.

Animal Health

Net sales of \$123.7 million for the three months ended December 31, 2016, grew \$2.2 million, or 2%. The growth was primarily due to volume increases in the nutritional specialty and vaccine product groups within the segment. Nutritional specialty products grew \$5.0 million, or 21%, primarily due to volume growth of our products for the U.S. poultry and dairy industries. Vaccines grew \$5.2 million, or 45%, primarily due to volume growth of our products for the poultry and swine industries. The vaccine sales growth included products acquired from MVP Laboratories, Inc. in January 2016. Medicated feed additives ("MFAs") and other declined \$8.1 million, or 9%, primarily due to international volume declines. International net sales declined due to economic conditions in Brazil and the timing of orders in certain other markets. Domestic net sales of MFAs and other declined modestly, as reduced volumes of medically important antibacterials were partially offset by growth in other products.

Mineral Nutrition

Net sales of \$56.7 million decreased \$2.2 million, or 4%, for the three months ended December 31, 2016. The reduced revenue was primarily due to lower average selling prices resulting from underlying raw material commodity price declines.

Performance Products

Net sales of \$11.2 million decreased \$0.2 million, or 2%, for the three months ended December 31, 2016, due to lower

average selling prices of personal care ingredients and copper-based products and lower volumes of copper-based products. Higher volumes of personal care ingredients partially offset the declines.

Gross profit

Gross profit of \$63.5 million for the three months ended December 31, 2016, increased \$2.0 million, or 3%, as compared to the three months ended December 31, 2015. Gross profit increased to 33.1% of net sales for the three months ended December 31, 2016, as compared to 32.0% for the three months ended December 31, 2015. Animal Health gross profit increased \$1.2 million due to volume growth in nutritional specialty and vaccine products, as well as lower unit costs from improved operating efficiencies. Current year Animal Health gross profit was reduced by \$0.3 million of increased acquisition-related intangible amortization and \$1.0 million of increased depreciation expense due to recent capital expenditures. Mineral Nutrition gross profit increased \$0.5 million due to lower raw material costs, partially offset by lower average selling prices. Performance Products gross profit increased \$0.3 million, due to higher volumes of personal care ingredients and lower product costs of copper-based products, partially offset by lower average selling prices of personal care ingredients and copper-based products.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") of \$40.9 million for the three months ended December 31, 2016, increased \$2.0 million, or 5%, as compared to the three months ended December 31, 2015. During the three months ended December 31, 2016, we incurred \$1.7 million in expense relating to the partial settlement of our domestic noncontributory defined benefit pension plan. Excluding these costs, SG&A increased \$0.3 million, or 1%. Increased business development costs included in Corporate accounted for most of the increase.

Interest expense, net

Interest expense, net of \$3.9 million for the three months ended December 31, 2016, decreased \$0.1 million, or 2%, as compared to the three months ended December 31, 2015. Interest income increased \$0.4 million from interest on deposits in foreign jurisdictions. Interest expense increased \$0.4 million due to increased borrowings under our Revolver, compared to the three months ended December 31, 2015, and increased acquisition-related accrued interest.

Foreign currency (gains) losses, net

Foreign currency (gains) losses, net for the three months ended December 31, 2016, amounted to net gains of \$0.5 million, as compared to \$2.6 million in net losses for the three months ended December 31, 2015. Foreign currency gains in the three months ended December 31, 2016, were primarily due to the movement of the Turkish and Mexican currencies relative to the U.S. dollar. Foreign currency gains and losses primarily arise from intercompany balances.

Provision (benefit) for income taxes

The provision for income taxes was \$5.9 million for the three months ended December 31, 2016, as compared to an income tax benefit of \$14.1 million for the three months ended December 31, 2015. The effective income tax rates for these periods were 30.5% and (87.5)%, respectively. The large negative effective income tax rate for the three months ended December 31, 2015, was primarily due to the reversal of the valuation allowance we previously had recorded against domestic deferred tax assets. The reversal resulted in an income tax benefit of approximately \$18.8 million during the three months ended December 31, 2015. Excluding the effect of the reversal of the valuation allowance, the effective income tax rate for the three months ended December 31, 2015, was 29.2%.

Our future effective tax rate may be affected by discrete items, the fluctuation in tax rates in foreign jurisdictions and the amount of income earned in our foreign subsidiaries, some of which may have significant net operating loss carryforwards. As of December 31, 2016, we maintained a full valuation allowance against the deferred tax assets related to our foreign net operating loss carryforwards. We review the realizability of our deferred tax assets and evaluate our valuation allowances on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required. We will continue to evaluate the necessity of these foreign valuation allowances in future periods, and to the extent that a positive earnings trend continues, a significant portion of these allowances may be released in future periods.

Net income

Net income of \$13.4 million for the three months ended December 31, 2016, decreased \$16.8 million, as compared to net income of \$30.2 million for the three months ended December 31, 2015. The decrease was a result of the factors described above, including an \$18.8 million income tax benefit in the prior year period, partially offset by a \$3.1 million favorable change in foreign currency (gains) losses, net.

Diluted EPS

Diluted EPS was \$0.34 for the three months ended December 31, 2016, decrease of \$0.41, compared to \$0.75 for the three months ended December 31, 2015, as a result of the decrease in net income.

Adjusted EBITDA

Adjusted EBITDA of \$31.2 million for the three months ended December 31, 2016, increased \$2.8 million, or 10%, as compared to the three months ended December 31, 2015. Animal Health Adjusted EBITDA increased \$2.3 million, or 7%, due to sales growth and increased gross profit, partially offset by increased SG&A. Mineral Nutrition increased \$0.6 million, or 13%, due to improved operating margins from lower raw material costs, partially offset by lower average selling prices. Performance Products increased \$0.3 million, due to higher volumes and lower product costs, partially offset by lower average selling prices. Corporate expenses increased \$0.3 million due to increased business development costs.

Adjusted diluted EPS

Adjusted diluted EPS was \$0.39 for the quarter, an increase of \$0.02 compared to \$0.37 last year. An improved gross profit ratio, partially offset by SG&A growth and a higher effective income tax rate, were the primary contributors to the improvement.

Pension Plan and Retirement Savings Plan Changes

In July 2016, we amended our domestic noncontributory defined benefit pension plan to eliminate credit for future service and compensation increases, effective as of September 30, 2016. The amendment resulted in a curtailment of the pension plan. During the three months ended September 30, 2016, we recorded a pension curtailment gain of \$6.8 million in other comprehensive income and an offsetting reduction in the liability for pension benefits included in other liabilities. We also modified the 401(k) retirement savings plan, effective October 1, 2016, to include, for all domestic employees, a non-elective Company contribution of 3% of compensation and an additional discretionary contribution of up to 4% of compensation, depending on the employee's age and years of service.

Separately, we offered a lump sum settlement option to certain pension plan participants. During the three months ended December 31, 2016, we recognized a partial settlement of the pension plan with respect to the lump sum settlement, which resulted in a charge to the consolidated statement of operations of \$1.7 million, which we recorded as a component of SG&A.

BALANCE SHEET AND CASH FLOWS

- | 2.8x leverage ratio at December 31, 2016
 - \$331 million total debt
 - \$119 million LTM adjusted EBITDA
- | \$39 million cash on hand at December 31, 2016
- | \$21 million net cash flow before financing for the December 2016 quarter
- | Dividend
 - \$3.9 million quarterly dividend paid during the December 2016 quarter
 - \$3.9 million quarterly dividend to be paid March 2017

FINANCIAL GUIDANCE

We have reaffirmed our financial guidance for the fiscal year 2017 as initially presented in our August 29, 2016 press release. The guidance is shown in detail on the schedule included with this press release.

WEBCAST & CONFERENCE CALL DETAILS

Phibro Animal Health Corporation will host a webcast and conference call during which the company will review its financial results and respond to questions.

Date: Tuesday, February 7, 2017
Time: 9:00 AM Eastern
Location: <http://investors.pahc.com>
U.S. Toll-Free: +1 (877) 853-5634
International Toll: +1 (315) 625-6893

NOTE: In order to join this conference call, all participants will be required to provide the Conference ID number.

A replay of the webcast will be archived and made available on Phibro's website.

DISCLOSURE NOTICES

Forward-Looking Statements: This communication contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. 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. 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 Quarterly Report on Form 10-Q and Annual Report on Form 10-K, 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: We use non-GAAP financial measures, such as adjusted EBITDA and adjusted net income, 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 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 Quarterly Report on Form 10-Q and Annual Report on Form 10-K.

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.

Phibro Animal Health Corporation Consolidated Results of Operations

For the Periods Ended December 31	Three Months			Six Months		
	2016	2015	Change	2016	2015	Change
<i>(in millions, except per share amounts and percentages)</i>						
Net sales	\$191.6	\$191.8	\$ (0.2) (0)%	\$379.6	\$378.9	\$ 0.7 0%
Cost of goods sold	128.1	130.3	(2.2) (2)%	255.1	258.2	(3.1) (1)%
Gross profit	63.5	61.5	2.0 3%	124.5	120.7	3.8 3%
Selling, general and administrative	40.9	38.8	2.0 5%	80.1	76.2	3.9 5%
Operating income	22.6	22.6	0.0 0%	44.4	44.5	(0.0) (0)%
Interest expense, net	3.9	4.0	(0.1) (2)%	7.8	7.8	(0.0) (0)%
Foreign currency (gains) losses, net	(0.5)	2.6	(3.1) *	(0.2)	(2.9)	2.7 *
Income before income taxes	19.3	16.1	3.2 20%	36.9	39.6	(2.7) (7)%
Provision (benefit) for income taxes	5.9	(14.1)	20.0 *	11.3	(9.3)	20.6 *
Net income	<u>\$ 13.4</u>	<u>\$ 30.2</u>	<u>\$(16.8) (56)%</u>	<u>\$ 25.6</u>	<u>\$ 48.9</u>	<u>\$(23.3) (48)%</u>

Net income per share						
basic	\$ 0.34	\$ 0.77	\$(0.43)	\$ 0.65	\$ 1.25	\$(0.60)
diluted	\$ 0.34	\$ 0.75	\$(0.41)	\$ 0.64	\$ 1.22	\$(0.58)
Weighted average common shares outstanding						
basic	39.4	39.2		39.4	39.1	
diluted	40.0	40.0		40.0	40.0	
Ratio to net sales						
Gross profit	33.1 %	32.0 %		32.8 %	31.8 %	
Selling, general and administrative	21.3 %	20.3 %		21.1 %	20.1 %	
Operating income	11.8 %	11.8 %		11.7 %	11.7 %	
Income before income taxes	10.1 %	8.4 %		9.7 %	10.4 %	
Net income	7.0 %	15.7 %		6.7 %	12.9 %	
Effective tax rate	30.5 %	(87.5) %		30.6 %	(23.6) %	

Amounts and percentages may reflect rounding adjustments

* Calculation not meaningful

Phibro Animal Health Corporation Segment Net Sales and Adjusted EBITDA

For the Periods Ended December 31	Three Months			Six Months		
	2016	2015	Change	2016	2015	Change
<i>(in millions, except percentages)</i>						
Net Sales						
MFAs and other	\$ 77.5	\$ 85.6	\$ (8.1) (9)%	\$160.9	\$171.1	\$(10.2) (6)%
Nutritional specialties	29.2	24.2	5.0 21%	55.6	46.6	9.0 19%
Vaccines	17.0	11.7	5.2 45%	31.7	24.0	7.8 32%
Animal Health	123.7	121.5	2.2 2%	248.2	241.6	6.5 3%
Mineral Nutrition	56.7	58.9	(2.2) (4)%	108.3	113.3	(5.0) (4)%
Performance Products	11.2	11.4	(0.2) (2)%	23.1	23.9	(0.8) (3)%
Total	<u>\$191.6</u>	<u>\$191.8</u>	\$ (0.2) (0)%	<u>\$379.6</u>	<u>\$378.9</u>	\$ 0.7 0%
Adjusted EBITDA						
Animal Health	\$ 34.6	\$ 32.4	\$ 2.3 7%	\$ 67.2	\$ 63.8	\$ 3.4 5%
Mineral Nutrition	4.7	4.2	0.6 13%	8.7	7.3	1.4 19%
Performance Products	0.3	(0.0)	0.3 *	1.0	0.1	0.9 1185%
Corporate	(8.4)	(8.1)	(0.3) *	(15.9)	(15.1)	(0.8) *
Total	<u>\$ 31.2</u>	<u>\$ 28.4</u>	\$ 2.8 10%	<u>\$ 61.0</u>	<u>\$ 56.1</u>	\$ 4.9 9%
Ratio to segment net sales						
Animal Health	28.0 %	26.6 %		27.1 %	26.4 %	
Mineral Nutrition	8.4 %	7.1 %		8.1 %	6.5 %	
Performance Products	2.3 %	(0.1) %		4.3 %	0.3 %	
Corporate ⁽¹⁾	(4.4) %	(4.2) %		(4.2) %	(4.0) %	
Total ⁽¹⁾	16.3 %	14.8 %		16.1 %	14.8 %	

⁽¹⁾ reflects ratio to total net sales

Reconciliation of GAAP Net Income to Adjusted EBITDA

Net income	\$ 13.4	\$ 30.2	\$(16.8) (56)%	\$ 25.6	\$ 48.9	\$(23.3) (48)%
Interest expense, net	3.9	4.0	(0.1) (2)%	7.8	7.8	(0.0) (0)%

Provision (benefit) for income taxes	5.9	(14.1)	20.0	*	11.3	(9.3)	20.6	*
Depreciation and amortization	6.4	5.4	1.1	19 %	12.8	10.8	1.9	18 %
EBITDA	29.6	25.5	4.2	16 %	57.4	58.2	(0.8)	(1)%
Acquisition-related accrued compensation	0.4	0.4	-	0 %	0.8	0.8	-	0 %
Acquisition-related transaction costs	-	-	-	*	1.3	-	1.3	*
Pension settlement cost	1.7	-	1.7	*	1.7	-	1.7	*
Foreign currency (gains) losses, net	(0.5)	2.6	(3.1)	*	(0.2)	(2.9)	2.7	*
Adjusted EBITDA	<u>\$ 31.2</u>	<u>\$ 28.4</u>	<u>\$ 2.8</u>	<u>10 %</u>	<u>\$ 61.0</u>	<u>\$ 56.1</u>	<u>\$ 4.9</u>	<u>9 %</u>

Amounts and percentages may reflect rounding adjustments

* Calculation not meaningful

Phibro Animal Health Corporation Adjusted Net Income

<u>For the Periods Ended December 31</u>	<u>Three Months</u>			<u>Six Months</u>		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
<i>(in millions, except per share amounts and percentages)</i>						
Net sales	\$191.6	\$191.8	\$ (0.2) (0)%	\$379.6	\$378.9	\$ 0.7 0%
Cost of goods sold	126.8	129.4	(2.5) (2)%	252.6	256.3	(3.8) (1)%
Gross profit	64.8	62.4	2.3 4%	127.0	122.6	4.5 4%
Selling, general and administrative	38.6	38.1	0.5 1%	75.8	74.7	1.1 1%
Operating income	26.2	24.3	1.9 8%	51.2	47.8	3.4 7%
Interest expense, net	3.4	3.6	(0.2) (6)%	6.9	7.1	(0.2) (2)%
Foreign currency (gains) losses, net	-	-	- *	-	-	- *
Income before income taxes	22.8	20.7	2.1 10%	44.3	40.7	3.6 9%
Provision for income taxes	7.3	5.9	1.4 24%	14.3	12.2	2.1 17%
Net income	<u>\$ 15.4</u>	<u>\$ 14.7</u>	<u>\$ 0.7 5%</u>	<u>\$ 30.0</u>	<u>\$ 28.5</u>	<u>\$ 1.5 5%</u>
Net income per share						
diluted	\$ 0.39	\$ 0.37	\$ 0.02 5.4%	\$ 0.75	\$ 0.71	\$ 0.04
Weighted average common shares outstanding						
diluted	40.0	40.0		40.0	40.0	
Ratio to net sales						
Gross profit	33.8 %	32.5 %		33.5 %	32.4 %	
Selling, general and administrative	20.1 %	19.9 %		20.0 %	19.7 %	
Operating income	13.7 %	12.7 %		13.5 %	12.6 %	
Income before income taxes	11.9 %	10.8 %		11.7 %	10.8 %	
Net income	8.1 %	7.7 %		7.9 %	7.5 %	
Effective tax rate	32.2 %	28.7 %		32.3 %	30.0 %	

Reconciliation of GAAP Net Income to Adjusted Net Income

Net income	\$ 13.4	\$ 30.2	\$(16.8) (56)%	\$ 25.6	\$ 48.9	\$(23.3) (48)%
Acquisition-related intangible amortization ⁽¹⁾	1.3	1.0	0.3 33%	2.5	1.9	0.6 33%
Acquisition-related intangible amortization ⁽²⁾	0.2	0.3	(0.1) (45)%	0.4	0.6	(0.2) (29)%
Acquisition-related compensation costs ⁽²⁾	0.4	0.4	- 0%	0.8	0.8	- 0%
Acquisition-related transaction costs ⁽²⁾	-	-	- *	1.3	-	1.3 *
Pension settlement cost ⁽²⁾	1.7	-	1.7 *	1.7	-	1.7 *

Acquisition-related accrued interest	0.5	0.3	0.1	34 %	0.9	0.7	0.2	24 %
Foreign currency (gains) losses, net ⁽³⁾	(0.5)	2.6	(3.1)	*	(0.2)	(2.9)	2.7	*
Provision (benefit) for income taxes ⁽⁴⁾	(1.4)	(20.0)	18.6	*	(3.0)	(21.5)	18.5	*
Adjusted net income	<u>\$ 15.4</u>	<u>\$ 14.7</u>	<u>\$ 0.7</u>	<u>5 %</u>	<u>\$ 30.0</u>	<u>\$ 28.5</u>	<u>\$ 1.5</u>	<u>5 %</u>

Amounts and percentages may reflect rounding adjustments

* Calculation not meaningful

⁽¹⁾Included in cost of goods sold

⁽²⁾Included in selling, general and administrative

⁽³⁾Primarily related to intercompany balances

⁽⁴⁾Related to the income tax effect of pre-tax income adjustments and the elimination of non-recurring or discrete items

Phibro Animal Health Corporation Operating and Investing Cash Flows

<u>For the Periods Ended December 31</u>	<u>Three Months</u>			<u>Six Months</u>		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
	<i>(in millions)</i>					
EBITDA	\$ 29.6	\$ 25.5	\$ 4.2	\$ 57.4	\$ 58.2	\$ (0.8)
Acquisition-related accrued compensation	0.4	0.4	-	0.8	0.8	-
Acquisition-related transaction costs	-	-	-	1.3	-	1.3
Pension settlement expense	1.7	-	1.7	1.7	-	1.7
Foreign currency (gains) losses, net	(0.5)	2.6	(3.1)	(0.2)	(2.9)	2.7
Interest paid	(3.9)	(3.4)	(0.5)	(7.7)	(6.7)	(1.0)
Income taxes paid	(2.6)	(5.2)	2.6	(6.3)	(7.5)	1.2
Changes in operating assets and liabilities and other items	1.6	(11.8)	13.4	0.7	(36.3)	37.0
Net cash provided (used) by operating activities	<u>\$ 26.3</u>	<u>\$ 8.0</u>	<u>\$ 18.3</u>	<u>\$ 47.7</u>	<u>\$ 5.6</u>	<u>\$ 42.1</u>
Capital expenditures	\$ (4.7)	\$ (9.6)	\$ 4.9	\$ (10.6)	\$ (17.7)	\$ 7.1
Other investing	(0.2)	0.0	(0.2)	(0.2)	0.3	(0.5)
Net cash provided (used) by investing activities	<u>\$ (4.9)</u>	<u>\$ (9.5)</u>	<u>\$ 4.7</u>	<u>\$ (10.8)</u>	<u>\$ (17.4)</u>	<u>\$ 6.6</u>
Net cash flow before financing activities	<u>\$ 21.4</u>	<u>\$ (1.5)</u>	<u>\$ 22.9</u>	<u>\$ 37.0</u>	<u>\$ (11.8)</u>	<u>\$ 48.8</u>

Phibro Animal Health Corporation Guidance for fiscal year 2017

	<u>FY 2017 Guidance -</u>		<u>FY 2016</u>	<u>Growth - adjusted</u>		<u>FY 2016</u>
	<u>adjusted basis</u>			<u>basis</u>		
	<u>low</u>	<u>high</u>		<u>low</u>	<u>high</u>	
Net sales - Animal Health segment	\$ 495	\$ 510	\$ 486	2 %	- 5 %	\$ 486
Net sales	750	770	752	(0) %	- 2 %	752

(in millions, except per share amounts and percentages)

Adjusted EBITDA	116	-	120	114	2 %	-	5 %	
Depreciation expense	21	-	21	18	18 %	-	18 %	
Operating income	95	-	99	96	(1)%	-	3 %	86
Interest expense, net	17	-	17	15	10 %	-	10 %	17
Foreign currency (gains) losses, net	-	-	-	-	*	-	*	(8)
Income before income taxes	78	-	82	81	(3)%	-	2 %	77
Provision (benefit) for income taxes	23	-	24	24	(3)%	-	2 %	(6)
Net income	<u>\$ 55</u>	-	<u>\$ 58</u>	<u>\$ 57</u>	(3)%	-	2 %	<u>\$ 83</u>
Net income per share - diluted	\$ 1.38	-	\$ 1.45	\$ 1.43	(3)%	-	1 %	\$ 2.07
Weighted average common shares outstanding								
Diluted	40.0	-	40.0	40.0				40.0

* Calculation not meaningful

About Phibro Animal Health Corporation

Phibro Animal Health Corporation is a diversified global developer, manufacturer and marketer of a broad range of animal health and mineral nutrition products for use in the production of poultry, swine, cattle, dairy and aquaculture. For further information, please visit www.pahc.com.

Contact:

Phibro Animal Health Corporation
Richard Johnson
Chief Financial Officer
+1-201-329-7300
or
investor.relations@pahc.com