



**For release: IMMEDIATELY**

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**PHIBRO ANIMAL HEALTH CORPORATION ANNOUNCES  
COMPLETION OF THE SALE OF \$275 MILLION OF NOTES,  
EARLY SETTLEMENT OF ITS EXISTING SERIES OF NOTES  
TENDERED PURSUANT TO ITS TENDER OFFERS AND  
AMENDMENT OF THE INDENTURES GOVERNING SUCH  
EXISTING SERIES OF NOTES PURSUANT TO ITS CONSENT  
SOLICITATIONS**

**Ridgefield Park, New Jersey, July 9, 2010** – Phibro Animal Health Corporation (“PAHC”) announced today the successful consummation of the sale of \$275 million of its 9 1/4% senior notes due 2018 in a private placement and resale under Rule 144A and Regulation S of the Securities Act of 1933, as amended.

The 9 1/4% senior notes are guaranteed by PAHC’s existing domestic subsidiaries and will be guaranteed by certain of its future domestic subsidiaries.

On June 24, 2010, PAHC commenced tender offers and consent solicitations with respect to all of its outstanding 10% senior notes due 2013 (the “10% Notes”) and 13% senior subordinated notes due 2014 (the “13% Notes”), as described in the Offer to Purchase and Consent Solicitation Statement, dated June 24, 2010 (the “Offer to Purchase”). PAHC has been advised that, as of 5:00 p.m. New York City time on July 8, 2010, the expiration of the period for payment of consent payments with respect to such tender offers and consent solicitations, holders of over 95% of the 10% Notes and 100% of the 13% Notes in aggregate principal amount had validly tendered and not withdrawn their notes and had provided and not validly revoked their consents to effect proposed amendments to the indentures governing such existing notes. As previously announced, the consents received exceed the number needed to approve the proposed amendments to each of the indentures governing such existing series of notes. PAHC also announced that it accepted for payment all notes that had been validly tendered and not withdrawn.

The tender offer for such existing 10% Notes will remain open until July 22, 2010, unless extended or earlier terminated (the “Expiration Date”), as described in the Offer to Purchase. PAHC’s existing 10% Notes not validly tendered and accepted for payment before the Expiration Date have been called for redemption on August 9, 2010 pursuant to the terms of their indenture.

This press release is neither an offer to sell or purchase or a solicitation of an offer to purchase or sell securities nor a solicitation of consents, and no recommendation is made as to whether or not holders of the Existing Notes should tender their securities pursuant to the tender

offers or deliver consents pursuant to the consent solicitations. The tender offers are made only by the Offer to Purchase and related Letter of Transmittal. Neither the tender offers nor consent solicitations are being made to holders of existing 10% Notes or 13% Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. The new 9 1/4% notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

## **Company Description**

PAHC is a diversified global developer, manufacturer and marketer of a broad range of animal health and nutrition products to the poultry, swine, cattle and aquaculture markets. PAHC is also a manufacturer and marketer of performance products for use in the ethanol, personal care, automotive, chemical catalyst and electronics markets.

## **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words “may,” “could,” “would,” “should,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project,” “intend,” or similar expressions. These statements include, among others, statements regarding our expected business outlook, anticipated financial and operating results, our business strategy and means to implement the strategy, our objectives, the amount and timing of capital expenditures, the likelihood of our success in expanding our business, financing plans, budgets, working capital needs and sources of liquidity. Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the expansion of product offerings geographically or through new applications, the timing and cost of planned capital expenditures, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Forward-looking statements also involve risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict. Such factors include, but are not limited to, the following: our substantial leverage, ability to incur additional debt and potential inability to service our debt; an expansion of the regulatory restrictions on the use of antibiotics and antibacterials in food-producing animals could result in a decrease in our revenues; our dependence on suppliers having current regulatory approvals and the challenges of replacing any such suppliers; competition in each of our markets; a material part of our sales and gross profits are generated by antibiotics, antibacterials and other medicated products; risks associated with our international operations and significant foreign assets; our dependence on our Israeli and Brazilian operations; our operations, properties and subsidiaries are subject to a wide variety of complex and stringent federal, state, local and foreign environmental laws and regulations; extensive regulation by numerous government authorities in the United States and other countries; our raw materials are

subject to price fluctuations; our reliance on the continued operation of our manufacturing facilities and application of our intellectual property; outbreaks of animal diseases could significantly reduce demand for our products; consolidation of competitors and certain customer or supplier groups; adverse U.S. and international economic market conditions; the risks of legal proceedings and general litigation expenses; potential operating hazards and uninsured risks; the risk of work stoppages; our dependence on key personnel; and a substantial majority of outstanding shares of our capital stock is owned by a single shareholder.