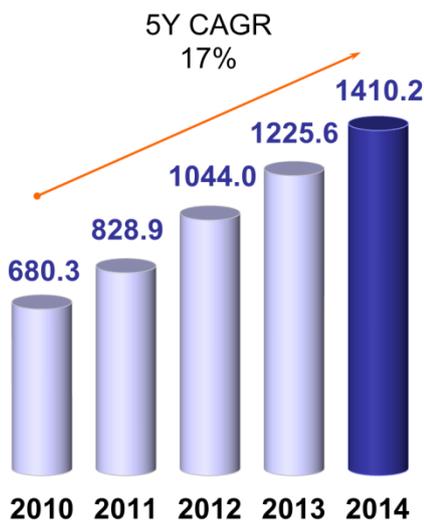
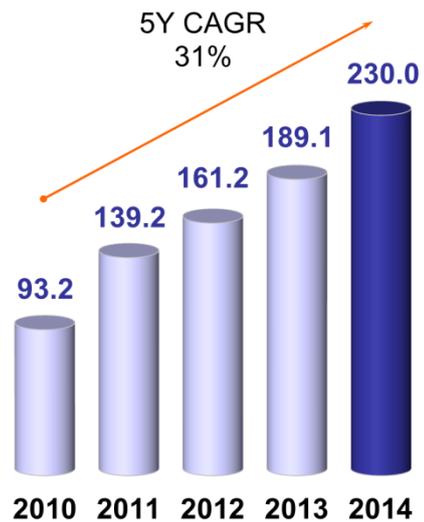


## Key Figures – Eurofins Scientific Group

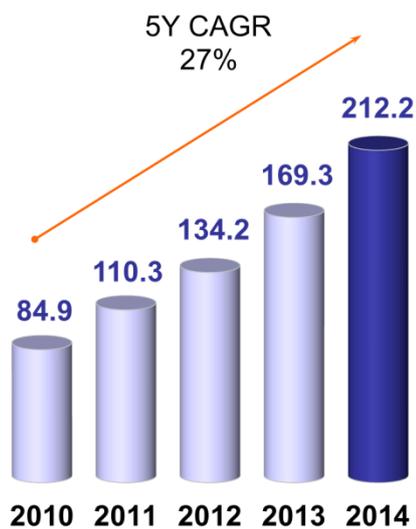
### Revenues in EUR Million



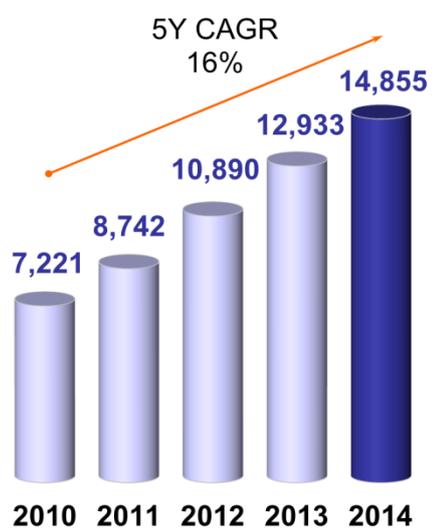
### EBITDA in EUR Million



### Operating Cash Flow in EUR Million



### Average Number of Employees (FTE)\*



EUR = Euros  
 5Y CAGR = Five Year Compound Annual Growth Rate  
 \*FTE = Full Time Employees

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## Shareholders' information

### Listing

Euronext Paris (IPO on 24.10.1997)

### Segments/ Indexes

Paris: Next 150 & SBF 120, STOXX Europe 600, Next Biotech, SRD & Compartment A

### Industry Group/ Prime Sector

Healthcare/Healthcare Providers

### Codes

ISIN: FR0000038259

### Tickers

Paris: Reuters EUFI.PA, Bloomberg ERF FP

### Nominal Capital (at 31.12.2014)

€1,520,444.70 (15,204,447x €0.10)

### Simplified Ownership Structure

Free Float 57.8%  
Martin Family 42.2%

### 2014 Share Price development

Eurofins Scientific: 7.9%

SBF 120: 0.7%

Next 150 Index: 6.9%

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with an average annual return of 32%.

### Analyst coverage

Berenberg	Simon Mezzanotte
BPI	Hubert d'Aillières
Exane BNP Paribas	Laurent Brunelle
Gilbert Dupont	Guillaume Cu villier
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
Kepler Cheuvreux	David Cerdan
Mainfirst	Mourad Lahmidi
Natixis	Stéphane Sumar
Oddo	Christophe-Raphaël Ganet
Portzamparc	Arnaud Guérin

### Investor Relations

Eurofins Scientific Group  
Phone: +32 2 769 7383  
E-mail: [ir@eurofins.com](mailto:ir@eurofins.com)

### Internet

[www.eurofins.com](http://www.eurofins.com)

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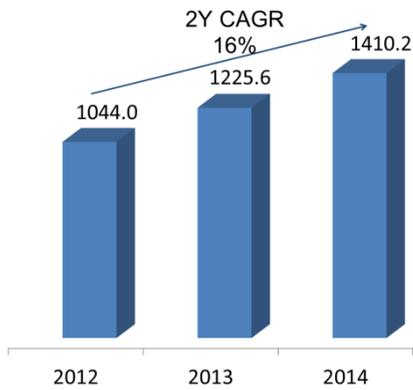
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# I. MANAGEMENT REPORT

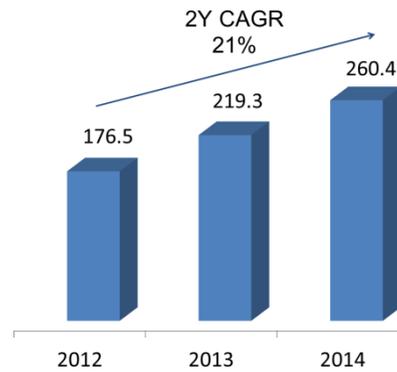
## 1 Key Performance Indicators (KPIs)

Developments in Eurofins' Key Performance Indicators (KPIs), as illustrated by the charts below, are discussed in detail in later sections of this report.

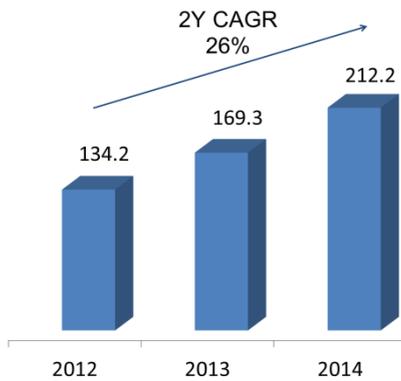
Revenues EUR m



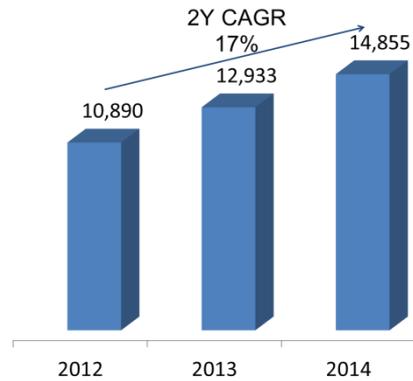
Adjusted EBITDA EUR m



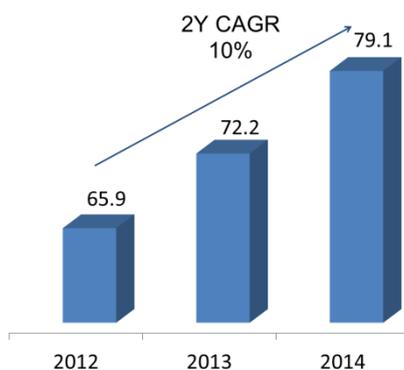
Net cash from Operations EUR m



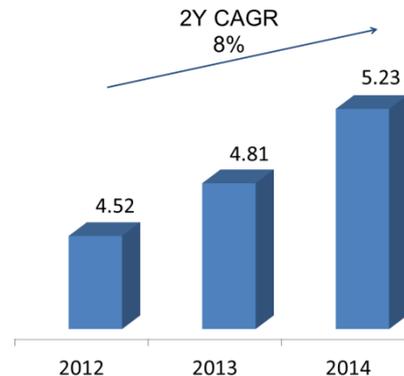
Full Time Employees



Net Profit



Earnings Per Share EUR



## 2 Message from the CEO

I am pleased to report Eurofins' strong performance in 2014. Organic growth<sup>9</sup> remained above Group objectives despite economic headwinds in some of the regions where we operate, and the temporary impact of some of our reorganization initiatives. In the second of Eurofins' five-year growth programme to build a world class, high-growth and highly-defendable business, Eurofins has achieved or exceeded all its operational and financial objectives. This allows us to remain very confident that the Group should be able to deliver on its 2017 objectives.

Some of the highlights of 2014 include:

- Revenue growth of 15% to EUR 1,410m on organic growth of around 6% for the full year (around 7.5% excluding acquisitions in significant restructuring<sup>10</sup>).
- Adjusted<sup>1</sup> EBITDA<sup>3</sup> increase of 19% to EUR 260m with 60 bp adjusted EBITDA margin expansion.
- 25% increase in Operating Cash Flow<sup>7</sup> to EUR 212m and a 10% increase in Free Cash Flow<sup>8</sup>.
- 17 acquisitions with total annualized revenues in excess of EUR 165m versus an objective of EUR 120m, and more than double profitability level versus 2013 acquisitions.
- 60,000m<sup>2</sup> of world class lab surface added in 2014, well ahead of the Group's plan of 40,000m<sup>2</sup> for the year.
- The mature businesses, or 88% of Group revenues, achieved an EBITDA margin of 20.9%.
- Completion of the Group's heaviest restructuring programmes in 2014 as planned (e.g. IPL and Central Laboratory).

The strong results of the Group reflect the benefits of our continuous investments into our network.

The majority of markets where Eurofins is active remain buoyant, as reflected in the Group's strong performance across most of its businesses. Variations in the Group's results were largely driven by its own initiatives in specific markets and businesses to secure or strengthen its long-term competitive advantages. The food testing business continues to be supported by increasing market volumes, and the Group's ability to gain market share due to its large past investments in this business. Results from Eurofins' environmental testing business is somewhat influenced by the slower economic activities in certain parts of Europe, strong comparable results in the previous year due to the Mayflower oil spill incident in the US, and the IPL restructuring in France, which was completed at the end of the year, but for which impact on revenues was still evident for the full year 2014. In the pharma testing business, Eurofins continues to gain traction due to the Group's unparalleled operational footprint. Developments in the pharmaceutical industry (e.g. biologics and biosimilars), as well as market share gains, underpinned the strong performance in pharma products testing.

In 2014, Eurofins completed 17 acquisitions either to strengthen its leadership in existing markets or enter new areas within the Group's competencies. During the year, we entered the specialty diagnostics market, and we are very excited about expanding our footprint and client reach into this promising growth area.

The Group continues to invest massively in its laboratory network to strengthen and expand its market leadership in food, environment and pharmaceutical testing. In 2014, Eurofins added 60,000m<sup>2</sup> of modern laboratory surface to its network as it adds capacity in high-growth markets, and consolidates some small laboratories into fewer, but larger industrialized sites that should provide greater efficiency and economies of scale.

Equally important, the profitability improvements that we continue to achieve despite investments that have temporary dilutive impact demonstrate the continued strengthening of the profitability of our mature businesses. The EUR 453m total cash that we have invested in the business in 2014 for acquisitions (EUR 292m), capital expenditures (EUR 131m) start-ups and restructuring programmes (EUR 30m), reflect our commitment in creating unmatched efficiencies and offering portfolio, and securing long-term competitive advantages for all our businesses.

In the next couple of years, we intend to continue to execute on our plans to further strengthen Eurofins' competitive advantages and secure long-term leadership in the markets we are active in. Between 2015 and 2017, the Group has plans for another 100,000m<sup>2</sup> of modern laboratory surface, of which around 40,000m<sup>2</sup> is expected to come on stream in 2015. These programs include both upgrade and modernization of laboratory surface to consolidate smaller laboratories into large, industrial facilities with higher automation, greater efficiencies and ultimately higher profitability, as well as construction of new facilities in high-growth markets.

In view of the satisfactory financial performance and prospects of the Company, the Board of Directors proposes to raise the amount of dividends paid out to shareholders by 10% to EUR 1.32 per share.

For 2015, Eurofins' objective is to exceed EUR 1.6bn of revenues and EUR 300m in adjusted EBITDA. Longer-term, I remain confident that the Group should be able to achieve its objectives of at least EUR 2bn in revenues and 20% adjusted EBITDA margin by 2017.

As usual, my thanks go to all our clients, employees and shareholders for their continued support.

Sincerely,



Dr. Gilles G. Martin  
CEO

(See definitions of the financial terms discussed on page 12).

### 3 The business

#### **Eurofins Scientific – A global leader in bioanalysis**

Eurofins Scientific is the world leader in food and pharmaceutical products testing. It is also number one in the world in the field of environmental laboratory services and one of the global market leaders in agrosience, genomics, discovery pharmacology and central laboratory services.

With over 17,000 staff in around 200 laboratories across 36 countries, Eurofins offers a portfolio of over 130,000 reliable analytical methods for evaluating the safety, identity, composition, authenticity, origin and purity of biological substances and products. The Group provides its customers with high-quality services, accurate results in time and expert advice by its highly qualified staff.

Eurofins is committed to pursuing its dynamic growth strategy by expanding both its technology portfolio and its geographic reach. Through R&D and acquisitions, the Group draws on the latest developments in the field of biotechnology and analytical chemistry to offer its clients unique analytical solutions and the most comprehensive range of testing methods.

As one of the most innovative and quality oriented international players in its industry, Eurofins is ideally positioned to support its clients' increasingly stringent quality and safety standards and the expanding demands of regulatory authorities around the world.

**Our Vision:** To be the World Leader in the bioanalytical testing market

**Our Mission:** To contribute to global health and safety by providing our customers with high quality laboratory and advisory services whilst creating opportunities for our employees and generating sustainable shareholder value

**Our Values:** Achievement of our Mission is based on Eurofins "Core Values", which commit us to Customer focus, Quality, Competence & Team Spirit and Integrity.

#### **History and Strategy of Eurofins**

Eurofins was founded in 1987 with 10 employees to market the SNIF-NMR technology, a patented analytical method used to verify the origin and purity of several types of food and beverages and identify sophisticated fraud not detectable by other methods. Today Eurofins has a network of around 200 state-of-the-art laboratories across 36 countries in Europe, the USA, Asia and South America employing over 17,000 staff, and a portfolio of over 130,000 reliable analytical methods.

Investments in start-ups in 15 countries over the last 7 years, along with focused acquisitions, have substantially increased the range of Eurofins' offerings in its customers' key markets around the world. Eurofins has also started seeing the benefits from its most recent intensive investment programme. The results have been reflected in significantly enlarged network of state-of-the-art laboratories and Competence Centres, increased efficiency across the Group, and higher shares in most of the markets where the Group operates.

Eurofins is committed to supporting its clients' objectives of ensuring that their products reach the best possible quality and safety levels in all markets in which they operate. Eurofins intends to continue to develop and acquire the most comprehensive range of state-of-the-art analytical technologies as well as expand its geographical reach in order to support its clients' increasingly stringent quality and safety standards and the demands of regulatory authorities around the world.

Eurofins is a global network of laboratories providing a comprehensive range of bioanalytical testing services. The Group believes it is the world leader in food and feed, environment and pharmaceutical products testing and ranks among the top three global providers of central laboratory and genomic services. Eurofins' mission is to contribute to the health and safety of all by providing its customers with high quality laboratory and advisory services. It operates in clearly defined markets that are substantial in size, are considered to have high growth potential and where competition is fragmented.

The Group has framework policies to enable it to fulfil its mission, although it does not operate under one single strategy, but with several that are specific to each market in which it operates. In general, Eurofins employs all or a combination of the following to build strong positions and defensible barriers-to entry:

- Use advanced technologies, supported by a high level of R&D and IT infrastructure;
- Deliver standardised, accredited services of high quality;
- Leverage Eurofins' growing global network of laboratories and service/product portfolio to be a first choice provider; and
- Strive to become and remain the number one or number two service provider in every market in which the Group operates.

This has been achieved and successfully replicated across many countries to date. The Group aims to achieve growth through organic development (selling more to existing customers and attracting new customers) and acquisitions which give access to new customers, geographic markets, technology and innovation.

#### **Industry Overview**

##### **The market for Testing, Inspection and Certification Services (TICS)**

Bioanalytical testing (defined as testing for all products or substances that we eat, drink, ingest or inhale) is a relatively new market, particularly for third party service providers. Despite the ongoing consolidation process, the market is still highly fragmented with a large number of smaller and medium sized laboratories offering a limited technological portfolio, regional presence and customer reach. In contrast, the Eurofins Group offers its customers global support and comprehensive analytical services.

## **Growth drivers**

The mega-trends that support Eurofins' long-term growth are still in their nascent stages. The fundamental drivers of the industry, and in particular of Eurofins, are plain to see and understand.

### **Wealth & Life Expectation**

Thanks to modern technology, health care and medical coverage in industrialised countries, people can live comfortably and grow old healthily. As the average wealth in these countries increases, the demand even for expensive pharmaceuticals enabling people to enjoy better lives is growing. The aversion to risk that may be associated with some food and consumer products is also increasing as people become more aware of the issues that surround them.

### **New Technologies**

New technologies open new perspectives for applications in the pharmaceutical, food and environmental markets. In recent years, the food industry has developed many new products which apply new technologies and processes, such as functional food.

Eurofins benefits from both the technologies' use and the control of their products. The Group is capable of developing new methods to help develop and register new pharmaceutical products and to track and analyse, for example, residues of pharmaceutical substances or GMOs in a wide range of food products. Increasingly sensitive analytical equipment and methods also act as a driver for better quality assurance and to detect substances that people were not previously aware of or able to measure.

### **Consumer Protection**

Along with the development of new technologies and a rising standard of living in the industrialised countries, consumers are becoming increasingly aware of product safety and quality and are averse to any health risks linked with food, pharmaceuticals or the environment. The demand for higher quality goods and services, and the associated requirement for testing, are also driven by increasingly strict regulations introduced by governmental authorities, the European Commission, the FDA or worldwide standardisation bodies in the pharmaceutical, food and environmental markets.

### **Globalisation**

As businesses increasingly look to global markets for their suppliers, they also become more exposed to the additional risks that are created. The wider the supply chain becomes, the greater and more complex the risk of quality divergence across the chain becomes.

Eurofins is therefore able to meet clients' needs in South America, Eastern Europe and in Asia. In addition, by operating laboratories in many of the countries where these suppliers exist, it has a clear understanding of the global conditions and regulations. Furthermore, Eurofins also offers a reliable standard of high quality and extensive expertise in those local markets for global customers with similar worldwide operations.

## **One-stop-service provider**

Eurofins aims to provide its customers with as wide a range of analytical services as possible. The main way in which this is achieved is through Eurofins market-leading testing portfolio of over 130,000 tests. In addition, each large customer now benefits from having a key account manager. Eurofins in turn is able to allow each lab in the Group to focus on their own area of expertise and yet retain customers through being able to offer the complete range of tests provided by all laboratories in the Group.

### **Brand Protection**

In times of enhanced quality and safety consciousness of consumers, global marketing of products and international media coverage, brands are very valuable and highly vulnerable assets that need constant protection. By carrying out the most advanced and sensitive analyses as part of their proactive quality assurance programmes, Eurofins supports its global customers in maintaining the integrity of their brands worldwide.

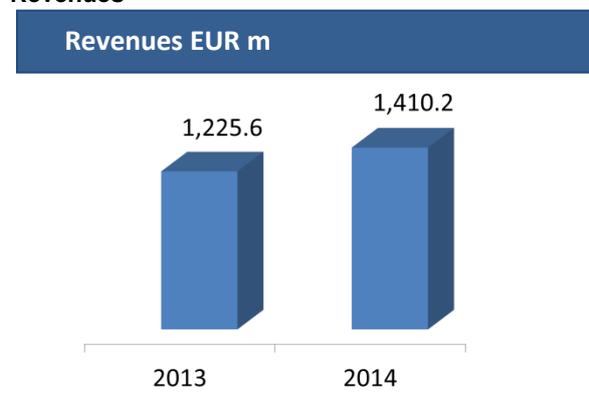
### **Outsourcing**

To run in-house or government/public laboratories, as a rule, is seldom cost effective and therefore outsourcing to a global supplier, such as Eurofins, is becoming increasingly common. An outsourcing deal represents a win-win situation for both sides. It allows the outsourcing partner to use its capital more efficiently, turn fixed costs into variable costs and to benefit from Eurofins' expertise in operating laboratories. On the other hand, Eurofins gains a long-term partnership with global customers, allowing both parties to concentrate on their core businesses.

## 4 Financial and operating review

In 2014 Eurofins' revenues reached EUR 1,410m and adjusted EBITDA of EUR 260m, versus its objectives of EUR 1,400m and EUR 250m respectively.

### Revenues



Revenues increased by 15.5% in the fourth quarter to EUR 396.6m, driving full year 2014 revenues up 15.1% to EUR 1,410.2m. The strong negative currency impact in the first half of the year was partially reversed in the second half, with currency translation impact for the full year of -1%. In 2014, the Group generated organic growth<sup>9</sup> of around 6%, whilst the organic growth of companies not in significant restructuring<sup>10</sup> stood at around 7.5%.

The majority of markets where Eurofins is active remain buoyant, as reflected in the Group's strong performance across most of its businesses. Variations in the Group's results were largely driven by its own initiatives in specific markets and businesses to secure or strengthen its long-term competitive advantages.

### Revenues : Geographical Breakdown

EUR million	2014	% of Group	2013	% of Group
Benelux	144.3	10.2	113.4	9.3
UK & Ireland	77.8	5.5	63.4	5.2
France	226.5	16.1	219.7	17.9
Germany	236.1	16.7	211.7	17.3
North America	356.9	25.3	276.1	22.5
Nordic Region	160.9	11.4	159.8	13.0
Other	207.7	14.7	181.4	14.8
Total	1,410.2	100.0	1,225.6	100.0

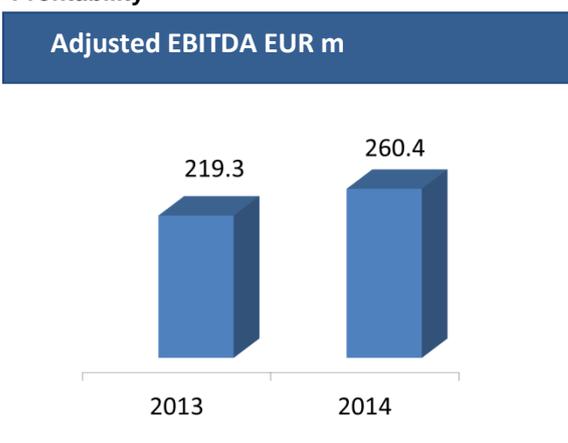
(note 4.1 of the notes to the consolidated financial statements)

Revenues in the US, now Eurofins' largest market making up over 25% of Group revenues, increased 29.6% to EUR 356.9m in 2014.

In Germany, the Group's second largest market, revenues were up 11.5% to EUR 236.1m for the year. Revenue contribution from France, the Group's third largest market was EUR 226.5m in 2014 (16.1% of total revenues). The consolidation of 5 sites into one large site in Vejen, Denmark, which was finalised in October, as well as negative currency impact in the Nordic region, were reflected in the revenue contribution from the region, the Group's fourth largest market with revenues of EUR 160.9m in 2014. Revenues from the Benelux were EUR 144.3m,

representing growth of 27.2%, as Eurofins continued to strengthen its leading position in food and environmental testing markets with the acquisition of KBBL and Omegam at the beginning of the year. In the UK, where Eurofins' expanded food testing footprint continues to gain ground, revenues were EUR 77.8m on organic growth in excess of the Group's objective. Finally, revenues from Eurofins' other, newer markets, made up largely of emerging markets and Asia Pacific, grew 14.5% to EUR 207.7m.

### Profitability



Group adjusted<sup>1</sup> EBITDA<sup>3</sup> rose 18.8% to EUR 260.4m, implying a 60bp adjusted EBITDA margin expansion to 18.5% despite the inclusion of start-ups which only recently became profitable, and of recent acquisitions that are not yet at the Group's profitability level.

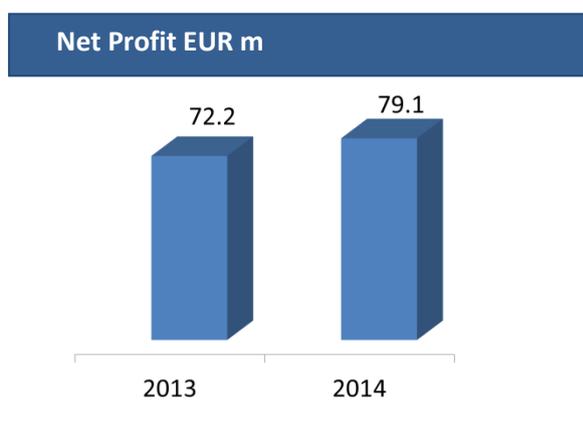
The mature businesses of the Group, i.e. excluding start-ups and acquisitions in significant restructuring, achieved an EBITDA margin of 20.9% on revenues of EUR 1,243.5m for the full year 2014. In 2013, the Group's mature businesses had generated an EBITDA margin of 20.5% on revenues of EUR 1,071.5m. The margin expansion of the mature businesses in 2014 is notable given that the companies that have recently been upgraded to the mature perimeter (start-ups and acquisitions made over the past two years that are no longer in restructuring) are still diluting the margin of that perimeter. Furthermore, the proportion of start-ups and businesses that are in significant restructuring has been further reduced from 12.6% of Group revenues in 2013 to 11.8% in 2014. Going forward, it is Eurofins' objective that this proportion should further decrease as the bulk of the significant restructuring has been completed, and as the mature perimeter continues to grow, as well as new acquisitions on average being increasingly profitable and requiring minimal integration work.

Separately disclosed items (SDI)<sup>2</sup> for the full year 2014 remained at the same level as the previous year at EUR 30.4m, which implies significant improvement in H2 2014 to EUR 12.4m, compared to EUR 18.0m in H1 2014, which as previously reported was the peak of the exceptional costs from the Group's various restructuring programmes. Of the EUR 30.4m in SDI,

EUR 20.8m were one-off costs directly related to restructuring such as redundancies and site closures at IPL (restructuring), Denmark site consolidation (5 sites into 1), Central Lab site relocation and Discovery Services integration; the first three of which have been completed in 2014. The remaining EUR 9.6m of the SDI relates to the temporary losses from start-ups and businesses in significant restructuring, and shows a significant improvement from a loss of EUR 9.2m in H1 2014 to EUR 0.4m in H2 2014.

With the largest part of the restructuring now behind the Group, the management believes that these businesses now have the optimal cost structures relative to their operational footprint in the case of IPL and Central Lab, or a strong platform for further long-term efficiency gains, in the case of Denmark. Most notably, IPL should now have a fixed cost structure closer to the size of its addressable market, as well as a harmonized IT and common sales platform that provides it a strong competitive advantage to be the laboratory partner of choice for water testing in France.

As communicated previously, and in-line with its 2017 objectives, Eurofins continues to position itself in markets where the Group sees current or potential tangible growth opportunities. In addition, Eurofins intends to continue investing in its existing network, to maximize efficiencies, and ensure long-term profitability. However, going forward, although the Group still has limited site consolidations and reorganization programmes for the next couple of years, and a few businesses that are in restructuring or start-up mode, management aims for its separately disclosed items (i.e. associated one-off charges) to continue to decrease significantly relative to the EBITDA generated by the core profitable businesses of the Group.

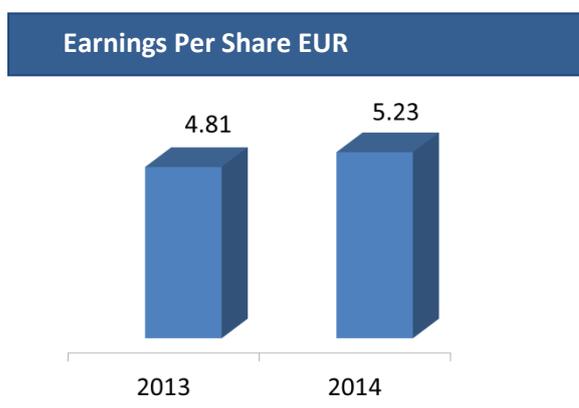


Despite the Group's ongoing restructuring and reorganization programmes, reported EBITDA grew 21.6% to EUR 230m, with reported EBITDA margin expanding 90 bp to 16.3%, demonstrating that the profitability of the core mature businesses is sufficiently strong to enable the Group to invest for future growth and efficiency gains and still deliver earnings improvements.

Depreciation and amortization charges increased by 21.5% to EUR 81.3m, in-line with the recent uptick in

capital expenditures. The significant increase in non-cash accounting charges is due to employee stock options<sup>i</sup> related to the appreciation of Eurofins' share price and the issuance of a new plan in 2014, and to the accounting treatment of amortization of intangible assets related to acquisitions<sup>ii</sup>, in addition to the increase in acquisition investments due to the increased volume of transactions, resulted in a negative impact of EUR 6.9m versus 2013. Interest costs for 2014 increased 31.1% to EUR 30.7m primarily due to higher debt amount following the issuance of the Group's inaugural Eurobond of EUR 300m in November 2013 to generate a cash reserve for future years, partially mitigated by lower interest rates. Income tax expense increased 29% to EUR 22.2m on effective tax rate of 21.9%, compared to 19.3% in 2013.

Adjusted net profit<sup>5</sup> for the year was EUR 128.2m, a 9.8% increase from the previous year whilst adjusted EPS stood at EUR 8.47. Despite the start-up and reorganization investments, as well as only partial consolidation of the companies acquired in 2014, reported net profit still increased by 9.6% to EUR 79.1m, and basic EPS<sup>6</sup> by 8.6% to EUR 5.23. The earnings attributable to equity shareholders show a 45.5% increase to EUR 5.15 per share, as the benefit from the lower coupon on the hybrid bond issued in January 2013 is fully reflected in 2014, as well as the positive one-off impact of the premium received from the hybrid bond tap in July 2014, which was issued above par value.



In summary, the strong performance in most of Eurofins' businesses mitigated the negative impact of restructuring of some of the businesses that once completed, will provide the Group even greater scale and efficiency, as well as unparalleled competitive advantages.

### Cash Flow and Liquidity

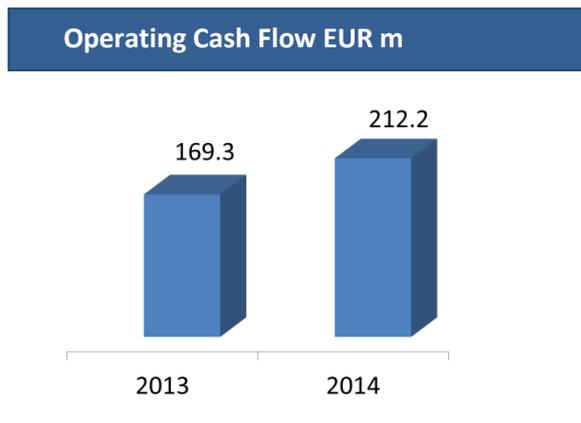
The 13.8% increase in pre-tax profit to EUR 101.3m, despite the multiple investments that the Group is undertaking that may be temporarily dilutive, in addition to the successful management of net working capital to 4.3% of sales (versus 5% NWC/Sales annual objective), resulted in a 25.3% increase in

<sup>i</sup> According to IFRS 2

<sup>ii</sup> According to IFRS 3 and IAS 36R

operating cash flow<sup>7</sup> for the Group, to EUR 212.2m in 2014.

Capital expenditures in 2014 stood at EUR 131.2m, as the Group's laboratory expansion and modernization plans have progressed faster than planned, with 60,000m<sup>2</sup> of lab surface delivered versus 40,000m<sup>2</sup> planned in 2014, as well as an acceleration in the Group's investments in IT systems deployment. Despite the significant uptick in capital expenditures and higher interest payments, Free Cash Flow<sup>8</sup> still expanded by 10.2% to EUR 51.1m in 2014, due mostly to the strong growth in the Group's operating cash flows.



During the year, the Group further optimized its funding position by a EUR 150m tap on its existing hybrid bond, extending the Group's hybrid bond capital to EUR 300m. The tap was issued above par, with a yield to call date of 5%, effectively lowering the average cost of Eurofins' hybrid capital down to 6.0%. At the end of December 2014, net debt was EUR 493.6m. In spite of the significant level of capital expenditures and acquisitions in 2014, the Group's leverage ratio stood at 1.90x net debt/adjusted EBITDA compared to 1.76x in 2013, and remains well below its covenant limit of 3.5x.

### Operational Highlights

Eurofins delivered on its objectives of achieving revenues of EUR 1.4bn in revenues and EUR 250m adjusted EBITDA for 2014, allowing the Group to successfully close the second of its 5-year growth programme to reach its 2017 objectives of generating EUR 2bn in revenues and adjusted EBITDA margin of at least 20%.

The food testing business continues to be supported by increasing market volumes, and the Group's ability to gain market share due to its large past investments in this business. Results from Eurofins' environmental testing business is somewhat influenced by the slower economic activities in certain parts of Europe, strong comparable results in the previous year due to the Mayflower oil spill incident in the US, and the IPL restructuring, which was completed at the end of the year, but for which impact on revenues was still evident for the full year 2014. In the pharma testing business, Eurofins continues to gain traction due to the Group's unparalleled operational footprint. Developments in the pharmaceutical industry (e.g. biologics and biosimilars), as well as market share

gains, underpinned the strong performance in pharma products testing. Likewise, the Group's genomics business remains supported by demand especially from its newest range of services. Eurofins' discovery services business remains somewhat affected by the ongoing integration programme being implemented to optimize the combination of the three leading global players in this niche market (DDS Millipore acquired in January 2014, Cerep in 2013, and Panlabs in 2012), whilst the impact of the reorganization of the Group's central lab operations, which was finalized at the end of the year, is still evident in the results for the year.

### Business developments by market

Eurofins continues to ramp-up its footprint in the US, now its largest market in terms of revenue contribution. The Group completed a modern, large southern food testing hub in New Orleans, and launched the construction of 4 additional food testing laboratories across the country to strengthen its position in the US food testing market, which is supported by regulatory tailwinds, as well as Eurofins' own growing scale. Likewise, Eurofins continues to expand its environmental testing activities in the US, further boosting its footprint with the acquisition of Calscience and UL's water testing business in 2014. The Group's US pharmaceutical testing business benefits from steady growth in traditional biopharmaceutical testing market, as well as increased volumes from new pharmaceutical developments. In addition, Eurofins entered the specialty diagnostics market in July 2014 with the acquisition of ViraCor-IBT, one of the largest independent laboratories servicing the specialty diagnostic market segment focused on helping physicians treat time-sensitive transplant patients, and further enhancing the Group's capabilities in pharmaceutical testing.

In Germany, contribution from outsourcing activities, in addition to continued acceleration in market share gains, have resulted in organic growth well above the Group's objective, demonstrating the benefits of scale, and our ability to grow even in a mature market.

Strong growth in food testing driven by continued market share gains, contract wins such as the 3-year agreement with Burger King, in addition to positive trends in some areas of pharma testing, as well as in other areas of environmental testing (namely air and soil testing), partially offset the impact of the IPL restructuring in France.

In the Nordic region, the Group completed the consolidation of 5 sites into 1 large, industrial and scaleable site in Vejen, Denmark. Going forward, the efficiency gains from this site consolidation and optimization programme should allow the Group to further grow its market share and its new markets in the region, such as its recently-developed agro and feed testing business.

Eurofins' growing scale in emerging markets and the Asia Pacific region is reflected in their revenue contribution remaining at over 10% of total sales despite rapid growth and many acquisitions across most of the Group's other markets. Eurofins' remains fully committed to the region and continues to invest to position itself to benefit from current and expected growth in the market by rolling-out its capabilities from

its more mature markets.

To benefit from the growth in the US, in food testing (driven by regulatory catch-up), in pharma testing (driven by product and market developments) and environmental testing (driven by consolidation), Eurofins is rolling-out new laboratories or implementing site consolidations. In Europe, to further accelerate market share gains by leveraging its scale, Eurofins is opening up several new sites across the region, and at the same time consolidating several small laboratories into newly-expanded sites to streamline and optimize efficiencies or maximize synergies across our businesses.

### Acquisitions & Outsourcing

Eurofins completed 17 acquisitions in 2014 either to strengthen its leadership in existing markets or enter new segments within the Group's competencies. In February, Eurofins acquired KBBL, one of the leading food and water testing service providers in The Netherlands, and a reference laboratory for meat testing. KBBL is a strategic fit for Eurofins both in operational competence, and geographic location. The acquisition provides Eurofins access to the domestic meat testing market, and allows KBBL to further develop this competence. In addition, KBBL's competence in drinking water testing reinforces Eurofins' leadership in this market. Also in The Netherlands, in March, Eurofins acquired Omegam one of the leading independent laboratories in the country for environmental testing. Formerly Amsterdam's water quality control board, Omegam reinforces Eurofins' leadership in the environmental testing market in the Benelux, and strengthens the Group's service offering to cover the full spectrum of water analysis, specifically in helping clients comply with the EU Water Framework Directive, a current industry priority ahead of the 2015 deadline for progress report.

Also in March, Eurofins announced the acquisition of Applus Agrofood Testing<sup>iii</sup>, from Applus Servicios Tecnológicos S.L. Applus Agrofood Testing has a high penetration of the largest consumer goods retailers in the Spanish market, and is a local reference laboratory in agro-environmental testing, with specific competence in pesticides testing. The acquisition allows Eurofins to expand its footprint and extend its current activities to a leading position in the Spanish food testing market. In the same month, Eurofins acquired the food and environmental testing laboratory of Maintpartner Group in Finland, providing Eurofins inroads with the largest customers in the agro-chemical and food industries. Furthermore, the laboratory's strategic location gives Eurofins access to the Kokkola Industrial Zone, one of the Baltic Sea region's fastest-growing ports. In April, Eurofins acquired the consumer and municipal water testing business of UL (Underwriters Laboratories), bringing together the top two laboratories with the highest volume of US Environmental Protection Agency (EPA) Unregulated Contaminant Monitoring Rule 3 (UCMR3) programme contracts. The acquisition reinforces

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<sup>iii</sup> Transaction closed in May, 2014

Eurofins' position as the premier laboratory in the US serving the UCMR3 needs of the EPA. In May, Eurofins acquired Calscience, the largest independent full-service environmental testing laboratory on the West Coast. Calscience strengthens the Group's position as the premier provider of analytical testing services for the environment.

In July, Eurofins entered the specialty diagnostic testing market with the acquisition of ViraCor-IBT (VIBT), one of the largest privately-held independent laboratories servicing the specialty diagnostic market segment focused on helping physicians treat time-sensitive transplant patients in the US. VIBT also significantly enhances the Group's capabilities in pharmaceutical testing, and allows Eurofins to leverage its renowned competence in genomic testing.

Also in July, Eurofins acquired Analytical Technology (Anatech), one of the leading environmental testing service providers in Brazil. Anatech is one of the leading laboratories for water, air and soil testing, as well as for oil geochemistry analysis in the country, and provides Eurofins a strong position in one of the fastest-growing environmental testing markets in the world, as well as inroads to the large industrial clients in Brazil.

In December, Eurofins signed an agreement to acquire Boston Heart Diagnostics Corp. (Boston Heart) in the US. Boston Heart is one of the leading diagnostics companies specialized in cardiovascular diseases using proprietary diagnostics. Boston Heart strengthens Eurofins' clinical testing and genomic service offering, and expands the Group's operating footprint, test portfolio and client reach into promising growth areas. Boston Heart will be consolidated in the Group's financial statements from the 1<sup>st</sup> of February 2015.

Eurofins also completed a host of smaller acquisitions that either provide the Group with specific technical know-how or increased market share. All together, the acquisitions completed in 2014 have combined total annual revenues in excess of EUR 165m and are significantly more profitable than those completed in previous years.

### Infrastructure

The Group continues to invest massively in its laboratory network to strengthen and expand its market leadership in food, environment and pharmaceutical testing. In 2014, Eurofins added 60,000m<sup>2</sup> of modern laboratory surface to its network as it adds capacity in high-growth markets, and consolidates some small laboratories into fewer, but larger industrialized sites that should provide greater efficiency and economies of scale.

In 2014, Eurofins completed the move of its central laboratory business from Washington DC to its campus in Lancaster, PA following the completion of the 7,250m<sup>2</sup> extension, bringing the total laboratory surface there to almost 30,000m<sup>2</sup>. The move not only provides the central lab business a better platform to showcase to large pharmaceutical clients the Group's capabilities in the world's largest single-site independent laboratory, but also results in savings

longer term given the lower costs in that part of the country. Part of the extension in Lancaster also houses a new, modern food testing laboratory that serves as a hub for food microbiology testing activities in the northeast US. In New Orleans, Eurofins has moved to its recently completed laboratory with double the capacity of the older facility with over 4,000m<sup>2</sup> of lab surface. The new site serves as the Group's food testing hub in the southeast of the country, and a competence centre for contaminants testing.

In Europe, Eurofins completed the consolidation of 5 small laboratories into 1 large site in Vejen, Denmark for its food and environmental testing activities in October, 2014. The Group has also launched a programme to combine several small laboratories in the Benelux region into 1 large site in The Netherlands and another large site in Belgium. In Germany, several multi-building or multi-location laboratories are being consolidated into our large single-site campus in Hamburg. In Sweden, 2 laboratories are being combined into 1 larger site in Uppsala.

In the Asia Pacific region, Eurofins completed the comprehensive upgrade and re-design of 7,300m<sup>2</sup> of laboratory surface of its recently-acquired laboratories in Australia and New Zealand. The Group is also completing the construction of 2 laboratories in Queensland and Christchurch, NZ.

Between 2015 and 2017, the Group has plans for another 100,000m<sup>2</sup> of modern laboratory surface, of which around 40,000m<sup>2</sup> is expected to come on stream in 2015. These programmes include both upgrade and modernization of laboratory surface to consolidate smaller laboratories into large, industrial facilities with higher automation, greater efficiencies and ultimately higher profitability, as well as construction of new facilities in high-growth markets.

## Corporate news

The Board of Directors plans to propose to increase the amount of dividends paid to shareholder to EUR 1.32 per share at the next Annual General Meeting. The new amount represented a 10% increase from the previous year, in line with the growth in the Group's net profit. The move signifies the Group's commitment to its shareholders, and the management's confidence in achieving even better performance in the coming years.

## Post-closing events

In January 2015, Eurofins successfully raised EUR 500m in its second senior unsecured Euro bond public issuance. The bonds have a seven-year maturity (due 27 January 2022) and will bear an annual coupon of 2.25%.

At the end of January, the transaction to acquire Boston Heart Diagnostics Corp. (Boston Heart) in the

US, announced in December 2014, successfully closed.

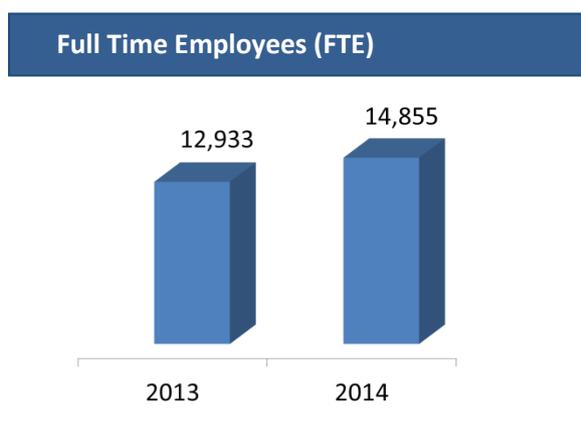
In February, Eurofins announced the acquisition of BioDiagnostics Inc., one of the leading seed and plant-tissue testing laboratories serving the agricultural industry in the USA.

## Outlook

The management of Eurofins is positive about the outlook for 2015, and has set objectives for the Group to generate in excess of EUR 1.6bn of revenues and EUR 300m in adjusted EBITDA. More importantly, the Group maintains its mid-term objectives of reaching at least EUR 2bn in revenues and 20% adjusted EBITDA margin by 2017.

- 1 Adjusted – reflects the ongoing performance of the mature and recurring activities excluding "separately disclosed items".
- 2 Separately disclosed items – includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions and the related tax effects. (Details in Note 2.3 of the Annual Report)
- 3 EBITDA Earnings before interest, taxes, depreciation and amortisation, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions.
- 4 EBITAS – Earnings before interest, taxes, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions.
- 5 Net Profit – Net profit for equity holders after non-controlling interests but before payment to Hybrid holders
- 6 Basic EPS – earnings per share before payment of dividends to hybrid bond holders
- 7 Operating Cash Flow – net cash provided by operating activities after income taxes paid
- 8 Free Cash Flow – Operating Cash Flow less interest and cash used in investing activities (but excluding acquisition payments)
- 9 Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates but excluding discontinued operations.
- 10 Organic growth excluding businesses in significant restructuring - non-IFRS measure based on the same calculation as for organic growth as defined above, but excluding businesses in significant restructuring (mainly IPL, Central laboratory and Discovery Services) as defined for the Separately Disclosed Items. For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.

## 5 Social & environmental information



The Group's total headcount at the end of the year was 17,144, with around 90% on permanent contracts. The average weighted number of employees, expressed as full time equivalent (FTE), was 14,855, a 15% increase from 2013, primarily due to the increase in the total size of the Group, and in particular the multiple acquisitions during the course of the year. The geographical distribution of Eurofins' FTEs is as follows:

FTE by Region		
	2014	2013
Benelux	1,445	1,163
France	2,450	2,431
Germany	2,574	2,263
North America	3,168	2,600
Nordic Countries	1,174	1,146
UK & Ireland	884	692
Other	3,159	2,638
<b>Total</b>	<b>14,855</b>	<b>12,932</b>

Eurofins believes one of its most important assets is its employees, and continuously invests in training and development for its personnel. In addition, the Group has developed an internal infrastructure for employees to access and share competencies across the Group.

The internal communications tool, ComLIMS, developed in 2000, is continually upgraded, in order to give access to and speed up the dissemination of scientific, technical and commercial information within the Group. ComLIMS now has over 3,000 trained users with regular access in the Group.

Within its new recruitments, the Group welcomes every year new experienced leaders during a week-long training programme called New Leaders Introduction Tour, in order to give them the necessary tools and understanding to success in the Group. Eurofins also launched its High Potential and Top Graduate programme in 2010, designed to attract, train and develop management skills of young talents to become future top leaders at Eurofins.

### Scientific Collaboration & Activities

Eurofins believes that the key to securing and maintaining leadership in its fields is constant innovation. Its scientists and technicians regularly engage in collaborations with academic, industrial and public sector organisations in scientific research projects that advance the cause of health and the environment.

Eurofins scientists participate in several EU and other public or government-funded projects, such as the ongoing "FoodSniffer Project, investigating new, portable systems to provide analytical results at point-of-need. It is part of a European-funded research project in the 7<sup>th</sup> Framework Programme that runs for three years. Eurofins also took part in the TRACE initiative, a programme designed to trace the origin of food.

The Company is part of an inner core of 38 partners from industry, academia and research institutes, participating in a 5-year European-funded research project called "Food Integrity". The aim of the project is to establish a sustainable body of expertise that can inform high level stakeholder platforms on food fraud and authenticity issues. As a globally recognized thought leader in this area, Eurofins is in charge of building a comprehensive Knowledge Base linking each food product and its potential fraud or integrity issues to appropriate analytical strategies that can be used for food fraud detection.

In the same area of expertise, Eurofins participated as international expert in the 2014 International Forum on Technologies Used in Food Safety and Product Authentication, an EU-China Trade Project. Its main aim was to enhance the awareness and knowledge of Chinese institutions on the application technologies related to food authenticity.

The Company has also joined forces with other major players (retailers, industry, and academia) in an "Adulteration Think Tank" to work on a new standardised approach for an analytical system that will be able to provide an early warning of potential contamination of food, by developing untargeted screening techniques. This initiative, combining testing and food safety management systems certification capabilities of Eurofins, is supported by the GFSI (Global Food Safety Initiative).

Eurofins' scientists and technicians are constantly engaged in the development of new testing technologies and solutions. For example, in 2014, Eurofins developed and launched Rapidust®, the first on-site test system for mycotoxins, including both representative sampling of grain lots and rapid analysis, to provide broader risk protection across the grain industry regarding mycotoxin contaminations.

### Social and Charitable Initiatives

Beyond the Group's business activities, Eurofins also contributes to various social projects and charitable work as part of its commitment to contribute to the improvement of health and social conditions of everyone.

Eurofins has been a long-term contributor to Plan International (<http://plan-international.org>) whose objective is to alleviate child poverty, and ProGrefe (<http://www.progrefe.com>), an organisation dedicated to research to improve organ transplants. Eurofins is also a supporter of Unicef (<http://www.unicef.org/index.php>), whose mission is to enhance children's rights, their development and survival, as well as of the Red Cross (<http://www.icrc.org/eng/>), an organisation focused on providing humanitarian help for people affected by conflict and armed violence worldwide.

For more information, please visit <http://www.eurofins.com/en/about-us/corporate-social-responsibility/charitable-donations.aspx>.

### ***Environmental Information***

By the very nature of its business, Eurofins' testing activities allow us to play a direct role in contributing to the health and safety of all, and in building a sustainable future for our environment. Furthermore, within Eurofins, we are ever mindful of the impact of our activities on the environment.

Eurofins' food and environmental testing services directly support the responsible use and minimisation of such things as pesticides, heavy metals, dioxins, persistent organic pollutants and chemical contaminants that are harmful to humans and the planet.

In general, the activity of Eurofins as a provider of testing and analysis services necessitates the use of limited amounts of water, raw material and energy (principally electricity and liquid nitrogen).

Some of the Group's companies in Brazil and Northern Europe already use renewable energy wherever possible such as that generated by wind, water or sun. Several laboratories also use energy created by recycled heat or from waste-fired energy generators.

### ***Environmental Risk Management***

Several Eurofins laboratories have developed and set up dedicated training programmes to good practice in terms of environmental risk management (e.g. safe use of chemicals and their application, proper waste disposal, autoclaving systems for decontamination, etc.). Some of the laboratories have their own department or person responsible for safety ("Safety Officer") which carries out regular inspection and internal training on the issues of safety and the protection of the environment.

For more information, please visit <http://www.eurofins.com/en/about-us/corporate-social-responsibility/environment.aspx>.

## 6 Risk factors

Eurofins' decisions, plans and objectives for the future are based on its current views and expectations of the risks facing the business.

Eurofins considers the following list to be as comprehensive as can reasonably be expected and do not consider there to be any other significant risks than those listed, given the current operating environment and without prejudice to any highly unusual events taking place. Nevertheless, Eurofins may be significantly affected by risks that it has not identified or considered not to be material.

Some risks faced by Eurofins, whether they are mentioned in the following list or not, may arise from external factors beyond Eurofins' control.

Where mitigations are mentioned in the following list, there is no guarantee that such mitigations will be effective, in whole or in part, to remove or reduce the effect of the risk.

### 1. Commercial risks

#### Changes in the market

Eurofins operates mainly in the food, pharmaceutical and environmental testing markets, which are relatively less cyclical and less susceptible to full impact of economic downturns. This is because of the basic underlying human need to consume food and drink and the consumer and governmental demands, certainly in more affluent and developed countries, that food and drink be safe for consumption. The pharmaceutical testing business is supported by the steady growth in pharmaceutical products testing, both in Europe and in the US as well as by the search for new and more effective drugs within the framework of new drug development programmes. The environmental testing market is driven by regulations that are strictly enforced in an increasing number of countries around the world.

In 2014, the global economy, especially in Europe, continued to struggle with sluggish growth and persistent uncertainty. The slower growth and consequent funding squeeze may negatively impact some of Eurofins' customers, or governments may be forced to suspend or revoke regulations to ease financial burden, which would directly impact our industry. If this were to be the case then the impact on Eurofins' net worth, financial position and operating results could be severe, including the remote possibility of a cessation of the business.

#### Regulations and the regulatory environment

Currently, Eurofins carries out analyses to ensure the compliance of its clients' products with the various European, U.S. and other regulations enforced. Any relaxation in these markets' regulations could have a negative impact on the Group. Eurofins believes the risk to be limited in view of the current trend of increasing demand for

verification and security, which rather leads to a stricter and broader regulatory environment, and individual codes of practice for products in question. However, the risks of changes in markets or the regulatory environment cannot be totally ruled out.

In addition, Eurofins and its small toxicology businesses could be negatively affected by a ban on this type of testing in the relevant locations or by action taken by groups opposed to these activities.

The activities that Eurofins performs are subject to possible regulations by governments. The international bioanalytical industry is strictly regulated. There is no guarantee that future changes in the pertinent legislation will not cause significant costs to Eurofins or force it to modify its activities in certain areas.

Eurofins' business activities are influenced by comprehensive official regulations in nearly every country in which it operates in. The applicable regulations in each case, which vary from country to country, relate among other things to the safety and effectiveness of the bioanalytical products and testing methods and to the operating specifications of the production facilities and laboratories.

While Eurofins makes every effort to devote sufficient resources to ensure that all its accreditations are maintained, it cannot guarantee that accreditation will always be granted by the relevant bodies. If these official accreditations were withdrawn, the companies would suffer and their services would be less attractive for customers. The failure to obtain licenses, approvals or other authorisations, substantial delays in obtaining these permits or the loss of important licenses or approvals required for operations of Eurofins could have significant negative effects on the Group's net worth, financial position and operating results.

#### Customer and credit risk

Given the reputation and diversification of its customer base, Eurofins believes that the risk of bad debts and insolvency is low. At all times the Group considers that its provisioning for doubtful debt is appropriate. Please see the notes to the consolidated financial statements (note 4.2 Credit Risk). However default of customers could have a material adverse effect on the Group's net worth, financial position and operating results.

#### Subcontracting

Recourse to subcontracting outside Eurofins is limited and represents less than 5% of the consolidated revenues of the the Group. On an operating level, each laboratory deals with subcontracting on an ad hoc basis for specific technical know-how, for a lack of production capacity or for other reasons related to specific applications. Eurofins is, of course, subject to risks in case of errors by its subcontractors.

## **Dependence on suppliers**

In Eurofins' core business activities the dependency on suppliers is generally low. The main suppliers to the business are in the following main categories: laboratory equipment, laboratory consumables (these first two often overlap), information technology and logistics. In each area there are at least two main suppliers and as a general principle, Eurofins believes in not being dependent even on these and if needs be, to be able to develop similar relationships with one of their competitors. Nevertheless, it cannot totally be ruled out that Eurofins will someday be dependent on one or more suppliers. Should those suppliers no longer be available to Eurofins, this could have adverse effects on its net worth, financial position, and operating results.

## **Market expansion, establishment of new companies and business segments, internationalisation**

Eurofins bases a large part of its future growth on expected penetration of new regional markets. Even though Eurofins has been able to accumulate extensive experience in doing business abroad in the past and already has contacts in the various target regions for its international growth strategy, the risks in executing a strategy in new markets could lead to a delay or even a failure in implementation of Eurofins' international growth strategy, attempts at market development and entry into new markets. This would have a material adverse effect on Eurofins' net worth, financial position and operating results.

## **Risks from the acquisition of companies, new laboratories and technologies**

It is the strategic approach of Eurofins to acquire companies, new laboratories and technologies in order to obtain access to complementary technologies and to expand the Group's market position in Europe, North America, Asia or other parts of the world. Possible integration problems could lead to a wide range of cost burdens. Furthermore, circumstances could occur which could significantly or completely devalue the acquisitions and lead to significant burden on Eurofins' net worth, financial position and operating results, even though acquisition transactions are prepared and evaluated with a level of caution and business diligence that Eurofins deemed appropriate. In addition, acquisitions can bear the risk of unforeseen liabilities or image damages due to unprofessional or lower quality business practice of the acquired laboratories or its teams. Acquisitions can represent a substantial business risk, which can have significant effect on the profitability and continued existence of Eurofins. There is no guarantee that the acquisitions of the Group will be a success.

## **Competition**

Eurofins believes that its know-how and expertise accumulated by its scientific teams, in particular its database of methods and test results should enable Eurofins to retain its technological leadership and market position. Nevertheless, there is no certainty that it will have the necessary resources in order to successfully deal with changes in the market, a process of consolidation, or the entry of new competitors into its markets.

Some of the current and potential competitors have longer business experience or greater financial resources or marketing capacities at their disposal than Eurofins. Some have a better-known name in their market segment and a larger customer base. Eurofins proceeds from the assumption that the market for the supply of analytical testing methods will become more concentrated. For this reason, existing or future cooperative arrangements among current and potential competitors or with third parties are a further competitive factor that must be taken into account. Eurofins believes, however, that its strategic approach and its existing market position will enable it to do well in the market.

It also cannot be ruled out that financially powerful market participants, such as food or water companies may enter into competition with Eurofins and attempt to undercut Eurofins' prices. An increase in competition could lead to price reductions, decreased sales volumes and lower profit margins, as well as limitations on Eurofins' expansion efforts and a potential loss in market share. All of the above factors could have adverse effects on Eurofins' net worth, financial position, and operating results and even its very existence.

## **Cost pressures and profit margins**

Until now, Eurofins has enjoyed relative stability in the prices charged for its most advanced bioanalytical processes. However, it is impossible to rule out significant price reductions in the market for food, pharmaceutical or environmental analysis. At the same time, due to factors such as inflation, Eurofins' costs could grow due to increased expenses for personnel, materials and other areas. Although Eurofins will attempt to maintain or improve profit margins through measures to increase cost efficiency, there can be no certainty that Eurofins' profit margins may not significantly decrease in the future. Sustained erosion of its margins would have adverse effects on Eurofins' net worth, financial position and operating results and even its very existence.

## **2. Financial Risks**

### **Liquidity risk**

Eurofins has entered into several loan and credit facility agreements to ensure the Group has sufficient financial liquidity to be able to respond swiftly to strategic opportunities.

Eurofins has carried out a specific review of the liquidity risk and considers itself able to face its current financial obligations. In regards to the current economic environment it should be noted that Eurofins and its subsidiaries are compliant with the criteria of the most important respective lines of credit and at this time do not anticipate any particular liquidity problems or issues regarding the financial covenants within the next few months.

Eurofins operates a strong business model but if, for any reason, Eurofins is not successful in implementing its business model, cash flow and capital resources may not be sufficient to repay indebtedness. If Eurofins is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, Eurofins could be forced to reduce or delay the completion or expansion of new laboratories and technologies, sell assets, obtain additional equity capital, or refinance or restructure its debt.

Bearing in mind the lingering uncertainty in the global financial markets which makes access to the credit markets more difficult or uncertain for corporate enterprises, it is probable that Eurofins will bear a higher cost to its short, medium and long term lines of credit than was available previously. It is not impossible that Eurofins will not be able to finance its future investment plans nor to meet its obligations as they become due. This could have adverse effects on Eurofins' net worth, financial position, and operating results and even its very existence.

For more information on financial risk management, please see the notes to the consolidated financial statements (note 4.2).

#### **Future capital requirements risk**

Eurofins' strategic growth, particularly the acquisition of new laboratories and technologies in order to obtain access to complementary technologies and to expand Eurofins' market position in different continents, requires the extensive use of resources. Eurofins believes that it has sufficient internal funds for its current needs. It cannot be ruled out, however, that Eurofins may be compelled to acquire additional funds through public or private financing, including external and equity capital financing or other agreements. Any additional acquisition of equity capital may have a dilutive effect for shareholders, while external financing may subject Eurofins to restrictions in dividend payouts or other restrictions.

In light of the current economic uncertainty, and the volatility in the capital markets particularly in Europe, it is also possible that adequate funds may not be available at all, at the proper time, or under acceptable conditions, either through procurement via the capital markets or other means. If additional funds are lacking, then it cannot be ruled out that Eurofins may be forced to limit the planned expansion of its business activities. Furthermore, if Eurofins' business activities are incurring deficits at

that point in time, and should additional Eurofins funds be unavailable to finance its business activity, it cannot be ruled out that Eurofins will be unable to maintain its operational business activity.

#### **Interest rate risk**

Eurofins' exposure relates to the risk of changes in market interest rates. To mitigate the Group's exposure to interest rates changes, Eurofins has entered, and might enter into several hedging contracts in order to limit the potential impact of adverse changes in interest rates. However, there are no guarantees that such contracts would be sufficient to fully protect the Group in the event of large interest rate volatility. Also hedging contracts entered into may have negative consequences on its income statement (paying interests based on higher rates than market in a given period) and balance sheet (derivative accounting on hedging instruments) which could have a material adverse effect on the Group's net worth, financial position and operating results.

Further details are provided in notes 4.2 and 4.5 of the consolidated financial statements.

#### **Foreign currency risk**

Eurofins' reported financial performance can be impacted by changes in foreign currencies (both transaction and translation related). To mitigate the Group's exposure to currency fluctuations, Eurofins might enter into several hedging contracts in order to limit the potential impact of adverse changes in foreign currency fluctuations. However, there are no guarantees that such contracts would be sufficient to fully protect the Group in the event of large volatility in one or more foreign currencies. Also hedging contracts entered into may have negative consequences on its income statement and balance sheet (derivative accounting on hedging instruments) which could have a material adverse effect on the Group's net worth, financial position and operating results.

Please refer to notes 4.2 and 4.5 in the notes to the consolidated financial statements for further details.

#### **Counterparty risk**

Eurofins exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents held for trading financial assets, loans receivable and derivative instruments), with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, Eurofins only deals with recognised financial institutions with an appropriate credit rating. All counterparties are financial institutions which are regulated and

controlled by the national financial supervisory authorities in their respective countries.

### **Revenues and results variability**

Revenues and results depend on many factors and may not reach the level expected by the analysts or even already reached on previous results. Eurofins' revenues vary from one quarter to another because of the seasonality of its activities (with a traditionally low cycle at the beginning of the year) and it is expected that these fluctuations shall carry on. Eurofins' revenues may also vary from one accounting year to another. Fluctuations in Eurofins' revenues can have a strong impact on various factors within the business. These factors include the acceptance of the present analysis methods of Eurofins, the changes in the operating charges of Eurofins, the changes in terms of staff and employees, increasing competition, the economic and market conditions, the financial health of Eurofins' customers, the legal changes that could have an impact on Eurofins' activities and other economic factors. Fluctuations in Eurofins' revenues and results may have an additional significant impact on the level and volatility of Eurofins' stock price.

### **3. Technological risks**

#### **Patents**

Eurofins attempts to obtain patent protection as deemed appropriate for its inventions from the appropriate patent offices. The defence of this protection can involve a great deal of time and entail significant costs. There is no guarantee that all of the applications for patents filed will successfully pass the examination process. There is a risk that Eurofins could be subjected to patent litigation with third parties and that an examination process could end with a negative result for Eurofins. This could have a negative effect on the net worth, financial position and operating results of Eurofins.

In addition, it cannot be ruled out that patent rights will not be identified in the future that can significantly impair Eurofins' business activities. For example, no guarantee can be given that the research conducted by Eurofins and its patent attorneys has actually uncovered all relevant patents/patent applications. Likewise, it is possible for competitors to develop technology processes that Eurofins would like to use, but with respect to which Eurofins cannot obtain a license nor have the rights thereto invalidated. Eurofins is aware and has been aware from time to time of various potential infringements of its patents or copies of its technology but in view of the limited impact of these on Eurofins' markets so far and the cost, duration and uncertainty of legal action, Eurofins has not deemed necessary to take legal actions. It cannot be ruled out that these infringements or copies make a larger impact on market of Eurofins with a negative impact on Eurofins.

### **Infringement of property rights**

Industrial property rights allow patent infringement litigation to be initiated to obtain injunctive relief and compensatory damages. Claims for commensurate compensation can be asserted in legal action based on published patent applications. Competitors can be prevented from using the patented technology based on an enforceable judgement.

It may also become necessary to take legal action against third parties that infringe upon the (licensed) patents of Eurofins or patents Eurofins will receive in the future, and to defend against patent infringement litigation brought by third parties. Furthermore, if a completely or partially legally valid patent of a third party or a patent subject to an opposition procedure or national invalidity proceedings is the subject of patent infringement litigation brought by a third party against Eurofins, and if the court hearing the case were to decide that Eurofins has infringed upon the patent, the court could prohibit the further use of the analytical method and could award the third party compensatory damages for the past patent infringement. In addition, Eurofins could be a plaintiff in litigation concerning its own patents and not win the case or fail to be successful to the extent necessary. In this case, for example, a third party could bring competing technologies to market, resulting in a negative effect on Eurofins' business activities and its net worth, financial position and operating results. Such patent disputes can extend over long periods of time and tie up significant Eurofins personnel and its financial potential.

Neither Eurofins nor its patent attorneys can guarantee that patent rights of third parties do not exist that could impair the business operations of Eurofins. In addition, there is no certainty that a national court will not interpret the scope of protection offered by the patent of a third party differently than Eurofins and its patent attorneys. This could result in Eurofins or one of its business partners being charged with patent infringement, although neither Eurofins nor its patent attorneys had viewed the corresponding action in this document as a patent infringement.

### **Licenses and research contracts**

Eurofins' business involves entering into license, collaboration and other agreements with third parties relating to the development of the technologies and products both as licensor and licensee. There is no guarantee that Eurofins will be able to negotiate commercially acceptable licenses or other agreements necessary for the future exploitation of its technologies and products or that any of its licenses or other agreements will be successful. In addition, there is no guarantee that Eurofins' collaborative partners will not pursue or develop competing technologies or products, either on their own or in collaboration with others. Eurofins' license agreements are generally for a fixed term and, prior to the expiry of such term, may be terminated in certain circumstances, some of which may be beyond the control of Eurofins. There

is no certainty that license agreements that expire or are terminated will be renewed or replaced which could have an adverse effect on Eurofins' business, financial condition, operating results and prospects.

#### **IT security risk**

Eurofins' operations and databases may be subject to hacking, viruses, malware, trojan and other forms of cyber-attacks like cyberwarfare, cybersabotage and industrial espionage.

Eurofins sets up protections against known forms of cyber-attack and is continually updating its defences to identify new threats, prevent their spread, and in case of such event, effectively remedy any effect. Nevertheless, threats evolve and there remains a risk to Eurofins.

Eurofins' reputation and business could be materially harmed as a result of data (including personal data) breaches, data theft, unauthorized access or successful hacking including disruption of systems and operations.

#### **Confidential information**

Eurofins has confidentiality agreements with numerous customers not to disclose the results of analyses or other confidential information. If these agreements are terminated Eurofins could suffer financial penalties.

Moreover, it is a general rule that new staff members are contractually committed not to reveal any technology and any results of analysis; access to the whole database is limited to a few members of staff. Staff in sensitive positions are normally contractually bound by post-contractual non-compete clauses in those countries where these are generally practised and permitted by law. It is of some comfort that the constant evolution in technology practised by Eurofins should mitigate any impact resulting from information leaving Eurofins.

Nonetheless, it is impossible to categorically rule out detrimental risk to Eurofins from the disclosure of confidential information to outside parties. Unauthorized access to Eurofins' proprietary information or to clients' data in the Group's computers or online tools could cause significant damage.

#### **Research & development projects**

In the past Eurofins has participated in various research and development (R&D) projects. Currently, there are several internal and collaborative research and development projects running including projects with the European Union. In the past, the majority of research projects undertaken by Eurofins have led to the successful application of new analytical methods. However, investment in R&D by its very nature presents a risk. It is not certain that current or future research projects would be applicable to new analytical procedures or, in turn, that these will be successfully

produced or sold. Furthermore, there is no guarantee that R&D projects will successfully pass through development phases and automatically receive the necessary approvals. Given the uncertainty on whether the investment in R&D will ever lead to a marketable product and the fact that, to a certain extent, returns on investment in the form of sales proceeds are only realised in the long term there is always the possibility of negative influences on Eurofins' profits and financial position.

#### **4. Industrial risks**

##### **Partial or total destruction of the testing databases**

Eurofins maintains databases containing information on almost all of its available tests, in addition to data such as isotopic and other analytical fingerprints on products capable of analysis by Eurofins, and which represent an integral part of its technological advance. If the databases are destroyed Eurofins' business could be damaged. To limit the risk of a partial or total destruction, the main databases are kept in a cluster of high availability datacentres separated by 8 kilometres and interconnected via a fibre optic ring. For further security, Eurofins and its subsidiaries frequently undertake back-ups of the databases, which are then stored offsite.

##### **Contamination risks**

Eurofins uses solvents and chemical products, which are generally stored in specific locations. After use, these products are normally disposed of by specialised companies. In the event of an error, accident or fire, some degree of contamination either of the environment or employees cannot be excluded. However, the risk is normally limited by the small quantities of products used. Nevertheless, a major environmental contamination could bear the risk of substantial liability for Eurofins, in addition to negative effects on Eurofins' image and reputation.

##### **Professional liability/ insurance**

Eurofins' business contains the potential risk of substantial liability for damages in the event of analytical errors where Eurofins and its subsidiaries not only verify the authenticity of the products analysed but also look to detect dangerous components (pathogens, prions, pesticides, asbestos, mycotoxins, dioxins, toxic substances, etc.). Furthermore results of analyses conducted by Eurofins may be relied upon and used in the marketing activities of its customers. In case of errors or negligence by Eurofins being found as the cause for a product recall, damages to property or health, Eurofins' liability could be very large.

Eurofins furthermore practices quality assurance programmes and staff training designed to prevent errors in its laboratories, but the risk of human error or accident can never be totally ruled out.

However, the service contracts entered into by Eurofins for the analysis of products generally mention that Eurofins' liability can only be engaged for damages directly arising from the products that have been examined by Eurofins. Eurofins believes that these clauses when applicable and enforceable by law substantially limit the liability in case of an analytical error.

It is a part of Eurofins' business and risk management policy to have various global and centralised insurance policies in place, covering Professional and General Civil Liability, Property Damage and Business Interruption insurance and other insurances required for its operations. In 2014, Eurofins maintained its policy of centralising insurance programs, enabling it to improve coverage, while gaining more visibility on its coverages and keeping overall insurance costs under control. For confidentiality reasons, insurers and insured limits cannot be disclosed.

Furthermore, in the frame of its global insurance programme, the Group has taken out the following insurance policies:

- Property Damage & Business Interruption Insurance
- General, Products and Professional Liability Insurance
- Environmental Liability Insurance
- Directors and Officers Liability Insurance

The Group's subsidiaries have subscribed to relevant property and casualty insurance policies according to local regulations and practices. These policies particularly aim to cover the insured company for the financial consequences of:

- damage affecting its assets and properties
- business interruption resulting therefrom
- third party liabilities

The subject of the D&O policy is to cover the insured Eurofins' Directors and Officers including some key managers (such as the Chief Executive Officer, the main operating and scientific directors and some other executive managers), as well as the Directors and Officers of companies controlled by it, for any pecuniary consequences of loss or damage resulting from any claims brought against them, binding their civil liability whether individual or joint, and attributable to any professional misconduct, whether actual or alleged, committed by them in performing their managerial duties.

This policy is also subject to certain conditions and restrictions of common practice for similar contracts.

In addition Eurofins has taken out Key-Man insurance in case of the death or invalidity of Dr. Gilles G. Martin.

In the opinion of Eurofins, it has procured sufficient insurance coverage at reasonable terms and conditions. Eurofins believes that save for catastrophic damages, its insurance policies and coverage limits provide sufficient protection for Eurofins' present requirements. Up to the present time, Eurofins Scientific has very rarely been subject to substantial liability. However, it cannot be guaranteed that claims for damages will not be asserted against Eurofins in the future, that Eurofins' insurance coverage will prove to be insufficient in certain cases and that Eurofins will not sustain losses outside the scope or limits of its insurance coverage. This could have adverse effects on Eurofins' net worth, financial position and operating results. In addition, major analytical errors could have a negative impact on Eurofins' image and reputation.

Other insurable risks, such as motor third party liability, worker's compensation & Employer's Liability etc. are managed and taken out on a national basis (according to the local applicable legislations, rules and regulations)

## 5. Other risks

### Risk of loss of key employees

Eurofins has a number of key employees with highly specialised skills and extensive experience in their fields. If one or more of these key employees were to leave, Eurofins may have difficulty replacing them. Eurofins attempts to mitigate the risk of losing key employees by retention programmes, succession planning and long-term incentive plans.

Eurofins may be unable to retain key employees or attract new highly qualified employees which could have a negative impact on Eurofins' business, financial situation and results.

### Tax risks

Eurofins conducts its business activities in many different countries and is potentially subject to tax liabilities in multiple tax jurisdictions.

In the opinion of Eurofins, its tax returns, which it prepares in cooperation with its local tax advisers/accountants, are accurate and complete and it has established adequate tax provisions and reserves. In the event of an external tax audit, Eurofins therefore does not expect any material changes to its tax assessment notices or any additional tax liability. However, Eurofins may be subject to additional tax liability, including late payment interest and/or penalties, in particular if the tax authorities' interpretation of the facts should differ.

These unforeseen tax claims may arise through a large number of reasons including identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction, transfer pricing adjustments, application of indirect taxes on certain business transactions after the event, and disallowance of the benefits of a tax treaty. In addition, Eurofins may be subject to tax law

changes in a taxing jurisdiction leading to retroactive tax claims.

This could have adverse effects on the Eurofins' short-term cash flow and thereby have adverse effects on its net worth, financial position and operating results.

### **Risks of litigation**

Disputes in relation to Eurofins' business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on Eurofins' business and financial position.

Currently there are a few lawsuits, pending or ongoing, concerning Eurofins and/or its subsidiaries and affiliates. However, based on information available at this time, Eurofins and its attorneys do not consider that the financial impact resulting from these potential or present lawsuits would be materially higher than the charges and provisions already accrued with respect to those cases. For details of provisions for liabilities, please refer to the notes to the consolidated financial statements (see note 3.16).

### **Fraud/ethical risks**

Eurofins has implemented various systems of quality assurance in the largest part of its laboratories that ensure consistent procedures and traceability of results and the Finance department and external auditors perform test checks. One of Eurofins' core values is integrity, which states that it is committed to ethics as one of its highest values. Attempts to incite customers or partners to commit unethical steps are not permitted in the Group. However, it is not possible to rule out the possibility of employee fraud or corruption. These could have a very damaging impact on Eurofins and even put its existence at risk.

### **Volatility of the market price of shares**

The shares of Eurofins have been listed on Euronext Paris since 25 October 1997. In general, securities markets have been especially subject to large price and volume fluctuations in recent years. Regardless of Eurofins' operating results or financial position, such fluctuations could continue to have an adverse effect on the price of Eurofins' shares in the future.

### **Significant shareholding**

The current shareholders Dr. Gilles G. Martin and family and Dr. Yves-Loïc Martin, directly or through their holdings in Analytical Bioventures SCA, together hold a total of 42.2% of the shares of Eurofins and 59.0% of the voting rights. Free float is 57.8% of Eurofins' capital stock and 41.0% of the voting rights.

Due to the significant shareholding of the current shareholders, Dr. Gilles G. Martin and family, Dr. Yves-Loïc Martin and Analytical Bioventures SCA are together in a position to control the outcome of important business decisions that require shareholders consent, regardless of the voting behaviour of other shareholders.

### **Unforeseen high impact risk**

Eurofins' operations may be subject to unforeseen events which are highly improbable and may have a significant negative impact on its business activities, financial situation and operating performance. Due to the unforeseen nature of such events, it is difficult to mitigate the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a material adverse effect on the Group's net worth, financial position and operating results.

### **Reliability of opinions and predictions**

All assumptions, opinions and expectations that do not represent facts based upon the past are expressly the opinions and predictions of Eurofins' management board. Opinions and forward-looking statements, are identified by expressions such as "planned", "expected", "believes", "assumes", "holds the view", "to the extent known" and similar formulations. Such statements reflect the management board's current opinions regarding possible future events, which are by their nature uncertain and thus subject to risks. All forward-looking statements are subject to various risks and uncertainties. Actual events and results may differ substantially from expectations due to a variety of factors. Eurofins undertakes no obligation to revise or update these opinions or forward-looking statements as a result of new information since these statements may no longer be accurate or timely.

## **7 Eurofins Scientific SE**

Eurofins Scientific SE (“Eurofins”) is the parent company at the head of the Eurofins Group. An important role of Eurofins as a holding company is to manage its investments and the financing of the activities of its subsidiaries.

In 2014, Eurofins recorded total income of EUR 56.3m, compared to EUR 69.3m in the previous year. The reduction was due to lower dividends received from its direct subsidiaries (EUR 50.8m in 2014 versus EUR 66.9m in 2013). Operating expenses including staff costs in 2014 decreased to EUR 2.6m compared to EUR 3.4m in 2013, while interest and other financial charges were largely unchanged compared to the previous year at EUR 52.4m. The tax income generated by the tax unity in 2014 was EUR 6.8m. Therefore, Eurofins’ profit for 2014 stood at EUR 6.7m, versus EUR 17.2m in 2013.

Please see the annual statutory accounts of Eurofins Scientific SE in Section III of this report.

## II. CORPORATE GOVERNANCE

Eurofins Scientific is continuously taking initiatives to meet the recommendations and guidelines of the Luxembourg Stock Exchange as set out in the “Ten Principles of Corporate Governance of the Luxembourg Stock Exchange” (Refer to <https://www.bourse.lu/corporate-governance>).

As a company registered in Luxembourg and listed in France, Eurofins is regulated by the CSSF and the AMF for the Market Abuse Directive.

Eurofins is further developing its corporate governance charter to better align with the principles, and currently meets most of the recommendations. With regard to Recommendation 1.3, the Board of Directors has taken the decision not to separate the role of Chairman and Chief Executive Officer. This governance structure is deemed most suitable for rapid decision making process in a relatively young organization like Eurofins operating in a rapidly-moving industry. With regard to Recommendations 4.2, the Board of Directors is currently deliberating establishing a Nomination and Remuneration Committee. In relation to Recommendation 7.4, pending the

establishment of the nomination and remuneration committee, the independent non-executive directors of the Board have access to the Company's executive directors at all times. The performance of the executive directors are discussed at Board meetings within the context of the performance of each of the business lines that these executive directors are responsible for. With regards to Recommendations 8.3 and 8.4, for competitive reasons, the Board has decided not to disclose publicly the criteria for remuneration or compensation (including in the event of redundancy) of its executive directors and management beyond the fact that remuneration is closely related to the performance of the Group as a whole, and the performance of the individual business unit(s) that the directors lead. With regards to Recommendation 9.6, the Board of Directors shall endeavour to encourage the Audit Committee to meet at more regular frequency throughout the year going forward, which should, in turn, also align the Group with Recommendation 9.11 of the Ten Principles of Corporate Governance adopted by the Luxembourg Stock Exchange.

### 1 Board of Directors

The governance structure is headed by the Board of Directors which in turn has appointed further committees to enable it to run the business more efficiently. The role of the Board of Directors is defined as being of a stewardship nature, providing the framework for the operations of the Group Operating Council's activities and another level of review. The Group Operating Council, which has the responsibility for the day-to-day running of the business, is made up of the leaders of the Group's primary business activities (<http://www.eurofins.com/en/investor-relations/corporate-governance/group-operating-council.aspx>).

#### Composition

The Board of Directors is in charge of the overall governance and direction of Eurofins. It is responsible for the performance of all acts of administration necessary or useful in furtherance of the corporate purpose of Eurofins, except for matters reserved by Luxembourg law or the Company's articles of association (the “Articles of Association”) to the general meeting of shareholders.

The Articles of Association provide that the Company's directors (the “Directors”) are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Other than as set out in the Company's Articles of Association, no shareholder has any specific right to nominate, elect or remove Directors. Directors are elected by the general meeting of shareholders for a four-year term and may be re-elected. In case of vacancy of the office of a Director appointed by the general meeting of shareholders, the remaining Directors so appointed, may fill the vacancy on a provisional basis. In such circumstances, the next general meeting shall make the permanent appointment.

The Articles of Association do not require Directors to be shareholders of the Company.

The Board of Directors is made of 5 members, 2 of whom are Non-executive, Independent Directors. Each year, the Board reviews the suitability of each of its independent members according to the Luxembourg Stock Exchange criteria.

The remuneration of the Board of Directors is determined on a yearly basis by the annual general meeting of shareholders.

#### Members of the Board of Directors

**Dr. Gilles Martin** Chairman of the Board and Chief Executive Officer of the Eurofins Scientific Group, graduated from Ecole Centrale in Paris. He subsequently obtained a Master of Science from Syracuse University (New York) and a PhD in Statistics and Applied Mathematics. Founding the original Eurofins Scientific Nantes food authenticity laboratory in 1988, Gilles Martin expanded this company of 12 employees into a global bioanalytical group of 200 laboratories employing 17,000 people in 36 countries. He is a past President of the French Association of private analytical laboratories APROLAB, of the North American Technical Committee for Juice and Juice Products (TCJJP) and of public bodies supporting innovation and entrepreneurship.

**Yves-Loïc Martin** Executive Director and Group Chief Technology Officer (CTO), graduated from Ecole Polytechnique, in Paris, France, and holds a Master's Degree in Applied Mathematics from

University Paris VI and a PhD in Chemometrics from Institut National Paris Grignon. Dr. Yves-Loïc Martin joined Eurofins as Quality Assurance Manager in 1992, assuming the role of CTO in 1998. He was, and continues to be, instrumental in setting up the Group's IT infrastructure.

**Valérie Hanote** Executive Director, is responsible for the Group's internal Commercial Laboratory Information Management System (ComLIMS). Miss Hanote graduated from the Institut National Agronomique Paris-Grignon, and has been active in the Company since 1991.

**Stuart Anderson** was appointed Independent Non-Executive member of the Board of Directors of Eurofins Scientific in 2010. Stuart is a seasoned professional with long experience in consumer and food industry, having previously served as CEO at Wilkonson Sword, Del Monte Fresh Fruit, and at Geest Europe. Stuart has also served as Chairman of Food Partners Ltd and TSC Foods. He currently serves as a managing Director at European Consumer Products Ltd, and is a Partner at

Pemberton Capital LLP, as well as chairman of two of Pemberton's investments. Stuart obtained a degree in Law from the University of Cambridge in the UK, and originally qualified as a solicitor with Freshfields before following an international career in Europe, US and the Middle East.

**Fereshteh Pouchantchi** The appointment of Ms. Pouchantchi as an Independent Non-Executive member of the Board of Directors was confirmed at the Annual General Meeting in April, 2014. Ms. Pouchantchi is a finance professional with extensive experience in audit, finance processes and financial administration and compliance. She worked at the Société Européenne de Banque (Luxembourg) for more than 20 years, where she headed up various divisions, including the bank's compliance department. She is currently a director in charge of client relations at Fiduconseil S.à.r.l.. Mrs. Pouchantchi holds a doctorate degree in economics from the Université de Paris II.

### Conseil d'administration (Board of Directors) in 2014

Name	Age	Mandate	Committee membership	Appointment or Renewal date	Mandate expiry (*)
Gilles Martin	51	Chairman of the Board and CEO		29/03/2012	31/12/2015
Yves-Loïc Martin	48	Board Member	Audit	29/03/2012	31/12/2015
Valérie Hanote	48	Board Member	Audit	29/03/2012	31/12/2015
Stuart Anderson	72	Independent Non-Executive Board Member	Audit	29/03/2012	31/12/2015
Fereshteh Pouchantchi	60	Independent Non-Executive Board Member	Audit	24/04/2014	31/12/2017

\*General Meeting called to approve the accounts for the year ended (see date in the table)

### Meetings

The Board of Directors meets when convened by the Chairman of the Board by any means, even verbally in urgent cases. The Board of Directors meets as often as required in the interest of the Company and each time it deems appropriate, at least every three months, on notice of its Chairman at the registered office or at any other place indicated in the notice. If the Board of Directors has not met for more than two months, one third of the Directors may request the Chairman to convene a meeting with a specific agenda. If not, the Chief Executive Officer may also convene the Board of Directors with a specific agenda. In case of urgency, any Director is entitled to do so. In order for a meeting of the Board of Directors to be validly held, a majority of the Directors must be present or represented. In the absence of the Chairman, the Board of Directors will appoint by majority vote a chairman for the meeting in question. For any meeting of the Board of Directors, a Director may designate another Director to represent him or her and vote in his or her name, provided that the director so designated may not represent more than one of his or her colleagues at any time. Subject to

applicable legal provisions, meetings of the Board of Directors can be held by means of video conference or other telecommunications technologies permitting the identification of the Directors.

Prior to each meeting, the members of the Board of Directors are provided with the financial and management reporting booklet, relevant presentations to each forthcoming meeting and any specific information that they request. Decisions of the Board of Directors are made by a majority of the Directors present and represented at a validly constituted meeting. Each Director has one voting right and in case of a division of votes, the Chairman shall give the casting vote.

### Board practices

In 2007 the Board of Directors approved the Terms of Reference which define the way the Board of Directors is governed and organised, complementing the specific regulations and the Company's articles on the matter. Please refer to the Terms of Reference of the Conseil d'administration on

<http://www.eurofins.com/en/investor-relations/corporate-governance/board-of-directors.aspx>.

The terms of Reference set rules notably in the following topics:

- Terms of information to be provided to the board members;
- Business ethics on stock exchange transactions;
- Transparency of the board members on buying, selling, subscribing or exchanging deals with the Company's shares or financial instruments;
- Conflicts of interest of the board members;
- Confidentiality of the board members;
- Regular attendance and dedication of the board members;
- Setting of rules on the running operations of the Board through videoconference or other means of telecommunications.

The complete Terms of Reference of the Board of Directors can be found on the Eurofins Group website in the Corporate Governance section. The Board of Directors handles the following main topics as part of its Terms of reference:

- Discussion and approval of the Group strategy;
- Monitoring of the Group's performance;
- Budget review and approval;
- Definition and supervision of the internal procedures, notably in terms of approvals and signatures;
- Review of the internal audit work, notably regarding the procedures of financial information;
- Settlement of accounts.

The Board members are not legally required to be a shareholder of the Company and are bound by the code of ethics of the Company, the Terms of reference of the Board of Directors and the Directors' dealings policy of the Company, in particular regarding insider information.

The Board members have been selected due to their knowledge and experience, in order to work for the shareholders' and the Company's benefit.

Once a year, the Board, as well as the Audit committee, conduct a self-evaluation of their composition, organization, operations and diversification in order to identify potential areas for improvement.

The Board of Directors believes that its members have the appropriate range of skills, knowledge and experience, as well as the degree of diversity,

necessary to enable it to effectively govern the business. Board composition is reviewed on a regular basis and additional skills and experience are actively searched for in line with the expected development of Eurofins' business as and when appropriate.

During 2014, no conflicts of interest have been declared by Board members.

The Board of Directors held 8 meetings in 2014 and the average attendance rate of the Directors at the Board of Directors' meetings was 70%.

In the course of the meetings held in 2014, discussions concerned the settlement of the consolidated accounts and the parent company's financial statements, net profit allocation, shareholder remuneration via dividends, capital increase in relation to stock option exercises, drafting the management report and resolutions to be submitted to the annual general meeting of shareholders, convening of the annual general meeting, and the preparation of all relevant documents.

During the year, the Board of Directors held thorough discussions on the corporate governance of the Group and the Group Operating Council. The discussions also included the appointment and remuneration of the Board members and top executive managers, allocation of stock options, and directors' fees. Additionally, the Board of Directors held discussions on a number of financial transactions such as:

- In June 2014: setting the dividend payment date to shareholders, the issuance of new warrants to be subscribed to by the Company's business leaders, and approval of contracts for bank credit facilities;
- In July 2014: extension of the existing hybrid bond capital from EUR 150m to EUR 300m;
- In August 2014: review and approval of the consolidated accounts for the half year 2014;
- In October 2014: allocation of employee stock options.
- In November 2014: the acquisition of Boston Heard Diagnostics Corp in the US.
- In December 2014: the potential issuance of a second senior unsecured Euro bond in January 2015.

Most importantly, decisions and debates were held on the strategic direction of the Company. Following such discussions, the Group's mid-term objectives were reaffirmed.

All of these decisions were made unanimously by the present or represented members.

## 2 Remuneration and benefits of the members of the Board of Directors

Board of Directors' Remuneration							
All amounts in €	Fixed compensation	Variable compensation	Benefits in kind	Supplemental pension plan	Attendance fees to non-executive directors	Other	Total compensation paid in 2014 (€)
Gilles Martin	845 000	0	11 400	4 702	0	0	861 102
Yves-Loïc Martin	303 000	0	0	4 220	0	0	307 220
Valérie Hanote	136 207	0	10 692	10 604	0	0	157 503
Stuart Anderson	0	0	0	0	27 000	0	27 000
Fereshteh Pouchantchi	0	0	0	0	24 946	0	24 946

The rules and principles used to determine the remuneration, benefits-in-kind and bonuses of the directors are not determined by the Board of Directors on a collective basis.

The remuneration, benefits and bonuses of the Chief Executive and the other main Management Board members are based on the results and performance of the Group, and on individual achievement of annual objectives.

The Board of Directors has accepted the recommendations of Luxembourg Stock Exchange on the remuneration of Board members of quoted companies. There have been no other new or renewed director appointments since the confirmation of the appointment of Ms. Fereshteh Pouchantchi at the Annual General Meeting in April 2014.

## 3 Audit Committee

The Audit Committee assists the board in carrying out its responsibilities in relation to corporate policies, internal control, risk monitoring, and financial and regulatory reporting practices. The committee has an oversight function and provides a link between the internal and external auditors and the board. The committee is assisted as appropriate by the Group Controlling team.

The Audit Committee consists of the following members:

Stuart Anderson (Committee Chair)  
 Fereshteh Pouchantchi  
 Dr. Yves-Loïc Martin  
 Valerie Hanote

The Audit Committee met three times in 2014. One of the most important topics discussed during the year was the review conducted by the Commission de Surveillance du Secteur Financier (CSSF) of the Company's primarily with regards to the Company's disclosure practices. The Group accounting and consolidation director reported that following a couple of meetings, the CSSF is satisfied with the Group's response to its queries.

In February and August 2014, the Audit Committee reviewed the full year 2013 and half year 2014 financial statements.

During the audit committee meetings during the year, the Group's controlling director also discussed at length the creation and implementation of a new Group controlling team based in Brussels to further strengthen Eurofins' internal financial control systems and processes. Progress on the ongoing project to establish and implement a Group Finance blueprint was also discussed.

During the audit committee meeting in December, The auditors presented their assessment of the Group, and their audit plan for 2014 year-end closing. The Audit Committee approved the audit plan submitted by the Group's external auditors.

With regards to the renewal of the mandate of the Group's auditors to be addressed at the next Annual General Meeting (AGM) in 2015, the Audit Committee approved the opening of an audit tender conducted by the Group's accounting and consolidation director, with a recommendation to be made to the Audit Committee by February 2015.

## 4 Legal information

### 4.1 General information

#### (A) General Information about the Company

##### 1. Name

Eurofins Scientific S.E.

##### 2. Registered office

23 Val Fleuri  
L-1526 Luxembourg  
Grand-Duchy of Luxembourg

Effective 30 March 2012, the Company had moved its registered office from Nantes (France) to Luxembourg.

In compliance with the provisions of Article 4 of the Articles of Association, the Board of Directors held on 20 February 2014 decided the transfer of the registered office from 10A, rue Henri M. Schnadt L-2530 Luxembourg to 23 Val Fleuri L-1526 Luxembourg, effective as of 22 April 2014.

##### 3. Legal form

Société Européenne ("Societas Europaea") with a Board of Directors governed by Luxembourg law.

##### 4. Term of the Company

Unlimited.

##### 5. Corporate object

The corporate object of the Company, in Luxembourg and in any other country, is:

- the performance, directly or indirectly, of all activities regarding consulting, expert analysis, technical assistance, training and research and development, relating to quality control or the composition of food products or all other products and the manufacture of all equipment for its achievement,
- the development and marketing of product analyses of all types (food, chemical, pharmaceutical, etc.),
- the operation of laboratories,
- the commercialisation of materials and software for laboratories,
- the activities of research and creation, acquisition, possession, exploitation and sale of any processes, patents, licenses, know-how and more broadly of any intellectual property or industrial rights relevant for these activities.

The Company can achieve this objective by:

- the establishment of companies, acquisition, possession and acquisition of interests in any company or enterprise, whether Luxembourgish or foreign, in any form whatsoever, as well as the administration, management, control and maximization of these interest and the accession to any associations, interest groups and joint operations,

- the acquisition by purchase, subscription or by any other manner as well as the disposal by sale, exchange or any other means of bonds, debt instruments, warrants and other securities and instruments of all kinds, mergers or otherwise, renting, leasing, management of all business assets or facilities.

- the company can give assistance to all affiliated companies and take all measures of control and supervision of such companies.

- within the limits defined by its object, the company can issue all types of securities, debt instruments, without these terms being restrictive, in order to finance the development of its activities, its restructuration, without the reasons for these operations as well being restrictive.

And more generally, the Company can carry out all industrial, commercial, financial, civil, real estate or non-real estate activities which can be linked directly or indirectly to one of the objects listed above or any similar or connected objects which it considers directly or indirectly necessary or useful for the accomplishment and for the development of its object.

##### 6. Legal documents

The legal documents of the Company can be consulted at the registered office for which the address is given in point 2 above.

##### 7. Company registration number

RCS Luxembourg B 167775

##### 8. Financial year

From January 1<sup>st</sup> to December 31<sup>st</sup> of each year.

##### 9. Allocation of distributable profit

From the annual net profits of the Company, five per cent shall be allocated to the legal reserve. This allocation shall cease to be required when the amount of the legal reserve shall have reached one tenth of the subscribed share capital.

If the annual accounts approved by the Shareholders' meeting show a distributable profit, the Shareholders' meeting may decide to allocate it to reserves whose allocation and utilisation are defined by it, carry forward ("report à nouveau") or to distribute it.

Losses, if any, are posted to a special account to be charged against the profit of subsequent periods until fully absorbed.

Shareholders' meeting may grant to each shareholder, in lieu of all or part of dividends to be distributed, an option between payment of dividends or interim dividends in cash or in shares.

##### 10. General meetings of shareholders

###### Notices, access to shareholders' meetings

Shareholders' meetings are convened by the Board of Directors, or by the statutory auditors, or by any person so empowered as set forth by law.

The shareholders' meetings are convened and deliberate in accordance with the conditions set forth by law. The meetings are convened at the registered office or in any other location indicated in the notice.

Decisions are taken by ordinary or extraordinary shareholders' meeting depending on the nature of the decisions.

All shareholders, regardless of the number of shares held, may attend Shareholders' meetings and participate in proceedings, in person or through a representative, or take part in votes by correspondence upon providing proof of identity and of registration as shareholder on the Record Date (the 14<sup>th</sup> day prior to the date of the meeting at 24:00) in a share account held by the Company, or by a duly authorised intermediary or entity.

In such a case, the shareholder has to request from its intermediary a certificate certifying the number of shares he/she holds at the Record Date and the shareholder can present the certificate to the Company no later than five (5) days prior to the General Meeting.

In case of vote by correspondence, only the voting forms received by the company at least three (3) days prior to the date of the Shareholders' Meeting shall be taken into account.

Ordinary and extraordinary Shareholders' Meetings deliberate in accordance with conditions of quorum and majority set forth and the powers expressly granted by law.

The shareholders' meetings can be held by way of video-conferencing or any other means of telecommunication, like the internet, that must enable the identification of shareholders under the terms and conditions set forth by law.

#### Voting rights

Each share entitles its holder to one vote. In addition, a "part bénéficiaire" with a voting right attached to it is allocated to holders of fully paid-up shares continuously held under registered form evidencing a holding for at least three (3) years as provided for in the Articles of Association.

In case of a Company's capital increase by incorporation of reserves, profits, the existing holders of "parts bénéficiaires" will be entitled to additional "parts bénéficiaires" following the subsequent issue of new shares.

Shareholders of the Company who are not residing in Luxembourg can be registered and represented at the meeting by any registered intermediary representative who is assigned to act on their behalf with a general delegation to act as custodian manager of securities, subject to the condition that this intermediary representative has specified beforehand, at the time of opening its share account, to the Company or to the financial institution keeping the shareholders' register, in compliance with law, its capacity to act as intermediary custodian of securities held on behalf of a third party.

The Company is entitled to ask the intermediary custodian who is registered and assigned to act on behalf of shareholders who are not residing in

Luxembourg to provide the list of represented shareholders, whose rights are intended to be exercised at the Meeting.

The vote or power of attorney issued by an intermediary representative who has not declared his assignment as specified by law or by the Articles of Association or who has not revealed the identity of shareholders cannot be taken into account.

Shareholders attending the meeting by video-conferencing or any other means of telecommunication that enables them to be identified, under the terms and conditions set forth by law, are considered as present to determine the quorum and majority.

## **11. Individual statutory clauses**

### Identifiable bearer securities

The shares fully paid up are registered shares or bearer shares depending on the decision of the shareholder, unless otherwise specified by law. The shares are in all cases registered in the register held by the Company until they are fully paid up.

The shares are registered in the register held by the Company or any authorised third party to act on behalf of the Company to this end under the terms and the conditions set forth by law.

With the objective to identify holders of bearer shares, the Company may ask any authorised organisation or third party, at any time and under the terms and the conditions set forth by law, the name, nationality, address of the holders of securities giving the immediate or deferred right to vote at the shareholders' meetings and the number of securities held by each of them.

In case of registered securities giving an immediate or deferred access to the capital, the custodian third party recorded under the terms and conditions set forth by the law is committed to deliver the identity of the holders of these securities, upon simple request from the Company or any party acting on its behalf, which can be made at any time.

In compliance with the provisions of the law dated 6 April 2013 on dematerialised securities, the Company has also the option, in addition to bearer and registered securities to (i) issue new securities in dematerialised form and (ii) convert existing securities into securities in dematerialised form as provided for by article 10 of the Articles of Association.

### Statutory disclosure thresholds

See par. (C) (f) below.

## **12. Acquisition of the Company's own shares**

In accordance with European Regulation n°2273/2003 of 22 December 2003 and article 49-2 of the Luxembourg Law dated 10 August 1915 as modified, the extraordinary general meeting of shareholders held on 16 April 2013 decided on a buy-back programme and granted the authorisation to the Board of Directors, for a period of five (5) years, to trade on the stock exchange in its own shares with the following principal objectives:

- in accordance with the authorisations granted by the extraordinary general meeting of shareholders, to cancel the shares so acquired, up to 10% of the existing share capital, during a period of 24 months;
- to enable the Company to deliver shares in accordance with share based payments, e.g. as part of its profit sharing schemes;
- in accordance with a liquidity agreement with a professional broker and in compliance with the latest regulatory obligations of the Stock Exchange authorities, to regulate fluctuations on the secondary market of the share price;
- to enable the Company to offer shares in connection with external company acquisitions.

The maximum number of shares authorised to be purchased is limited to 10% of the total number of shares issued at the purchase date with a maximum buying price of EUR 300.00 per share.

As at 31 December 2014, the Company held no shares under this programme.

This buy-back programme replaced the buy-back programme decided by the extraordinary general meeting of 29 March 2012.

## **(B) General information about the share capital**

### **1. Share capital**

On 31 December 2014, the issued share capital amounts to EUR 1,520,444.70 divided into 15,204,447 fully paid-up equivalent shares with a nominal value of € 0.10 each.

During 2014 the issued share capital was increased by EUR 13,113.60 by the creation of 131,136 new shares issued as a result of:

- the exercise of stock options by employees resulting in 130,916 new shares,
- the conversion of 440 BSAAR FR0010891796 warrants into 220 new shares.

The Board of Directors held on 26 February 2015 acknowledged the subsequent increase in share capital and decided to update Article 7 of the Articles of Association as follows:

#### *Article 7 – Share Capital*

*The share capital amounts to one million, five hundred and twenty thousand, four hundred and forty-four Euros and seventy cents (EUR 1,520,444.70), divided into fifteen million, two hundred and four thousand, four hundred and forty-seven (15,204,447) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.*

## **2. Potential increases in share capital**

### **2.1 Stock options**

In 2014, 120,950 options were granted by the Board of Directors. Not all of these options granted in 2014 were new options but were options previously granted to beneficiaries who had lost their right to exercise them and were granted to new beneficiaries under new conditions.

As noted above, during the year 2014, 130,916 options were exercised.

A new stock option plan was decided by the Board of Directors on 23 October 2014.

The details of the current stock option plans are as follows:

<b>Stock option plans</b>	<b>18<sup>th</sup> instalment</b>	<b>19<sup>th</sup> instalment</b>	<b>20<sup>th</sup> instalment</b>	<b>21<sup>st</sup> instalment</b>	<b>22<sup>nd</sup> instalment</b>	<b>23<sup>rd</sup> instalment</b>	<b>24<sup>th</sup> instalment</b>	<b>26<sup>th</sup> instalment</b>
Date of Board of Directors' meeting	01/02/2005	01/02/2005	01/02/2005	29/08/2005	10/01/2006	18/09/2006	20/07/2007	17/07/2008
Number of options initially awarded	26 650	78 400	39 500	68 500	6 000	174 807	150 330	168 950
incl. options granted to members of the Board of Directors	0	5 000	0	0	0	2 500	1 000	0
First stock option exercise date	01/02/2009	01/02/2008	15/12/2012	29/08/2009	10/01/2010	18/09/2010	20/07/2011	17/07/2012
Final stock option exercise date	31/01/2015	31/01/2015	31/01/2015	28/08/2015	09/01/2016	17/09/2016	19/07/2017	16/07/2018
Subscription price in €	18.77	18.77	18.77	27.80	37.97	50.00	66.00	51.87
Number of options exercised as of 31/12/2014	23 250	56 370	27 500	47 000	3 500	81 227	46 035	74 359
Number of options lost and/or reawarded under new conditions	2 100	20 030	12 000	18 000	1 000	75 015	76 930	65 230
Number of valid options *	1 300	2 000	0	3 500	1 500	18 565	27 365	29 361

<b>Stock option plans</b>	<b>27<sup>th</sup> instalment</b>	<b>28<sup>th</sup> instalment</b>	<b>29<sup>th</sup> instalment</b>	<b>30<sup>th</sup> instalment</b>	<b>31<sup>st</sup> instalment</b>	<b>32<sup>nd</sup> instalment</b>	<b>33<sup>th</sup> instalment</b>	<b>34<sup>th</sup> instalment</b>
Date of Board of Directors' meeting	18/12/2008	05/01/2009	10/11/2009	31/08/2010	05/10/2010	23/02/2011	10/10/2011	02/03/2012
Number of options initially awarded	34 010	116 700	153 400	164 400	12 450	89 750	158 350	46 250
incl. options granted to members of the Board of Directors	0	0	0	0	500	0	500	0
First stock option exercise date	18/12/2012	05/01/2013	10/11/2013	31/08/2014	05/10/2014	23/02/2015	10/10/2015	02/03/2016
Final stock option exercise date	17/12/2018	04/01/2019	09/11/2019	30/08/2020	04/10/2020	22/02/2021	09/10/2021	01/03/2022
Subscription price in €	31.62	32.60	31.88	36.62	37.06	50.13	57.83	65.60
Number of options exercised as of 31/12/2014	7 170	54 500	51 656	20 885	1 500	0	700	0
Number of options lost and/or reawarded under new conditions	22 840	32 200	44 950	37 585	2 500	7 700	35 610	14 550
Number of valid options *	4 000	30 000	56 794	105 930	8 450	82 050	122 040	31 700

Stock option plans	35 <sup>th</sup> instalment	36 <sup>th</sup> instalment	37 <sup>th</sup> instalment
Date of Board of Directors' meeting	19/12/2012	01/10/2013	23/10/2014
Number of options initially awarded	191 475	139 065	120 950
incl. options granted to members of the Board of Directors	300	200	400
First stock option exercise date	19/12/2016	01/10/2017	23/10/2018
Final stock option exercise date	18/12/2022	30/09/2023	22/10/2024
Subscription price in €	120.10	182.29	188.28
Number of options exercised as of 31/12/2014	250	150	0
Number of options lost and/or reawarded under new conditions	20 500	17 730	215
Number of valid options *	170 725	121 185	120 735

\*considers only valid and exercisable options, but not options initially awarded or already exercised.

## 2.2 BSA and BSAAR warrants

In June 2010, the Company issued OBSAAR bonds (French acronym for "*Obligations à bons de souscription et/ou d'acquisition d'actions remboursables*") for a nominal amount of EUR 175,995,654. The BSAAR warrants were admitted to trading on Euronext Paris on 30 June 2012 under the ISIN code FR0010891796.

As noted in 4.1.12 above, during the year 2014, 440 FR0010891796 BSAAR warrants were converted into 220 new shares.

Upon delegation of powers of the Board of Directors, the General Manager, in compliance with article 8Bis of the Articles of Association (see 3 below), decided on 1<sup>st</sup> July 2014, to issue 117,820 non listed BSA (French acronym for "*Bons de souscription d'actions*") called "2014 BSA Leaders Warrants" with preferential subscription right reserved to a certain number of executive leaders of the Eurofins group selected by the Company in consideration of the key management duties and responsibilities they are in charge of and the contribution they may bring to the enhancement of the value of the shares of the Company and who may wish to invest in a long-term equity-linked instrument. Each 2014 BSA Leaders Warrant gives right to subscribe to one (1) new share of the Company at a price of € 281.58 per share representing the issuance of a maximum 117,820 new shares of the Company. The exercise date is from 1<sup>st</sup> July 2018 to 30 June 2022.

Further details can be found in note 4.7 to the accounts.

## 3. Authorised and non-issued capital

The annual General Meeting of 11 January 2012 has approved, relating to the transfer of the Company's registered office to Luxembourg, a new article 8Bis of the Articles of Association to set an authorised share capital ("*capital autorisé*") for a

maximum nominal value of EUR 2,500,000 represented by 25,000,000 shares having a nominal value of 0.10 Euro per share.

During a period of five years from the date of publication of the deed in the Mémorial C Recueil des Sociétés et Association (i.e. from 12 April 2012), the Board of Directors is authorised to increase the Company's share capital within the limit of EUR 2,500,000 under the terms and conditions as the Board of Directors may determine and in particular it may limit or waive the preferential subscription right reserved to existing shareholders.

The Board of Directors, in its resolutions adopted on 26 February 2015 and in accordance with the authorities conferred on it pursuant to the said article 8Bis of the Articles of Association, resolved to increase the subscribed share capital by the amount of EUR 13,113.60 in order to raise it from its amount of EUR 1,507,331.10 to an amount of EUR 1,520,444.70 by the creation and the issue of 131,136 new shares with a nominal value of 0.10 Euro per share, having the same rights attached as the existing shares.

As of 31 December 2014, the Company's share capital amounts to EUR 1,520,444.70.

Moreover, the Company's has issued:

- BSA and BSAAR warrants (see par. 1 and 2.2 above);
- Stock option plans (see par. 1 and 2.1 above)

giving access to existing and/or new shares of the company.

As of 31 December 2014, the maximum number of new shares that may be issued resulting from the exercise of BSA and BSAAR warrants and stock options are 1,071,606, resulting in a potential fully diluted number of shares of 16,276,053.

Consequently, the additional maximum number of new shares that could be issued by the Company within the limit of the authorised share capital is 8,723,947.

Additionally, new shares issued as well as the Company's existing shares could be listed, in addition to the Paris Stock Exchange, on any other Luxembourg or foreign Stock Exchange to be determined by the Company's Chairman.

## 4. Shareholders' purchase/ sale agreement – charges over shares of Eurofins Scientific

### Charges attached to shares

None.

### Shareholder purchase/sale agreement

See par. (C) (b) below.

### Directors' commitments to maintain share-holdings

In accordance with Luxembourg law, there are no minimal shareholding requirements for Directors of the Company.

## 5. Dividends for the last fiscal year

A dividend payment was again decided by the Annual General Meeting of shareholders held on 24 April 2014 for an amount of EUR 1.20 per share and paid by the Company in July 2014.

### (C) Additional disclosures

The following disclosure is provided based on article 11 of the Luxembourg law of 19 May 2006 transposing Directive 2004/25/EC of 21 April 2004 on takeover bids (the "Takeover Law").

### (a) Share capital structure

With regard to article 11 (1)(a) of the Takeover Law, the Company has issued a single category of shares.

The Martin family holds 42.2% shares and control 59.0% of the voting rights of the company at that time.

The free float represents 57.8% of the shares and 41.0% of the voting rights of the company.

On 31 December 2014, the issued share capital amounts to EUR 1,520,444.70 divided into 15,204,447 fully paid-up equivalent shares with a nominal value of EUR 0.10 each.

## Shareholders and voting rights as of December 31, 2014

SHAREHOLDERS	NUMBER OF SHARES	% INTEREST	% VOTING RIGHTS
Dr. Gilles G. MARTIN and his family	2	0	0
Dr. Yves-Loïc MARTIN	14,546	0.1	0.1
Analytical Bioventures SCA <sup>(1)</sup>	6,400,000	42.1	58.9
Martin Family (subtotal)	6,414,548	42.2	59.0
Treasury shares	0	0	0
Free Float	8,789,899	57.8	41.0
<b>TOTAL</b>	<b>15,204,447</b>	<b>100</b>	<b>100</b>

<sup>(1)</sup> Private company incorporated under Luxembourg

### (b) Shareholder purchase/sale agreement

With regard to article 11(1)(b) of the Takeover Law, the shares issued by the Company are listed on Euronext Paris and are freely transferable.

A shareholders' agreement regarding the Martin Family shareholding in Analytical Bioventures SCA was concluded on 5th September 2008, which cancels and replaces the preceding one and aims in principal to renew the commitment towards the present management of Eurofins going forward and co-operation on a course of action in the event of a take-over bid. This agreement was concluded for a period of eight years, tacitly renewed each year and was made public by a statement disclosed by the French regulatory agency AMF (release n°208C1688 dated 17 September 2008).

### (c) Significant shareholdings

With regard to article 11 (1)(c) of the Takeover Law, the Company's shareholding structure showing each shareholder owning 2.5% or more of the Company's share capital is as follows:

## Significant Shareholding as of 31.12.2014

	No. of Shares	No. of Stock Options
Gilles G. Martin	1	0
Yves-Loïc Martin	14,546	0
Valérie Hanote	1	0
Stuart Anderson	55	1.700
Fereshteh Pouchantchi	0	200

Gilles Martin and Yves-Loïc Martin, holds 6,400,000 shares.

Fidelity Management & Research (FMR) crossed the 5% voting rights threshold with 1,081,110 voting rights as of September 2013, as notified to the Company and the CSSF. No other notification has been received from FMR since then.

The Company is not aware of any shareholder other than those stated above with an interest in excess of 5% of the voting rights as at 31 December 2014.

### (d) Holders of any securities with special control rights

With regard to article 11 (1)(d) of the Takeover Law, in addition to shares representing the Company's issued share capital, securities named "parts bénéficiaires" are allocated to holders of fully paid-up shares continuously held under registered form evidencing a holding for at least three (3) years as provided for in the Articles of Association.

In case of a Company's capital increase by incorporation of reserves, profits, premiums, the existing holders of "parts bénéficiaires" will be entitled to additional "parts bénéficiaires" following the subsequent issue of new shares.

A "part bénéficiaire" is not freely transferable and entitles its holder to one voting right.

### (e) System of control of any employee share scheme

With regard to article 11 (1)(e) of the Takeover Law, information on stock-options and BSAAR warrants is available in notes 2.4 and 1.18 to the consolidated accounts.

#### **(f) Restrictions on voting rights**

With regard to article 11 (1) (f) of the Takeover Law, the sanction of suspension of voting rights automatically applies, subject to limited exceptions set out in the Luxembourg law of 11 January 2008 on the transparency requirements regarding issuers of securities (the "Transparency Law"), to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in articles 8 to 15 of the Transparency Law without having notified the Company accordingly.

Voting rights exceeding a crossed threshold will be suspended until such time as the notification has been properly made by the relevant holder of voting rights.

#### **(g) Agreements between shareholders**

With regard to article 11 (1)(g) of the Takeover Law, it exists agreements between shareholders as mentioned in paragraph (b) above.

#### **(h) Appointment and replacement of Board Members – amendment of the Articles of Incorporation**

With regard to article 11 (1)(h) of the Takeover Law, the Directors are elected by a general meeting of shareholders for a for four-year terms and may be re-elected.

The rules governing amendments to the Articles of Association are set out in article 20 of the Articles of Association. An extraordinary general meeting, resolving as hereinafter provided, may amend any provisions of the Articles of Association.

Such an extraordinary general meeting shall not validly deliberate unless at least one half of the share capital is represented. If this condition is not satisfied, a second meeting may be convened and shall validly deliberate regardless of the proportion of the capital represented. At any extraordinary general meeting, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast. Votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote.

#### **(i) Shares buy-back programme**

With regard to article 11 (1)(i) of the Takeover Law, the extraordinary general meeting of shareholders held on 16 April 2013 granted the Board of Directors a new share buy-back authorisation whereby the Board of Directors is authorised to purchase on the stock exchange Company's shares for a period of five (5) years, with a maximum number of shares to be purchased and/or cancelled limited to 10% of the total number of shares issued at this date and a maximum buying price of EUR 300.00 per share.

As at 31 December 2014, the Company held no shares under this programme.

#### **(j) Any significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control**

With regard to article 11 (1)(j) of the Takeover Law, disclosure of significant agreements to which the Company is a party are not disclosed for confidentiality reasons.

Confidential agreements are relating to commercial and strategic aspects within the Group to the knowledge of the Board of Directors. Exception to this rule, some agreements provide bilateral appropriation at the request of certain credit institutions the possibility of early repayment in the event of change of control and / or departure of key leaders of the Group. This is the case of OBSAAR bonds issued in June 2010.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS0881803646) issued in January 2013 (and extended in July 2014) provide for the application of additional interest rate and margin of each 5% per annum if a change of control event occurs up to 31 January 2020 and for an additional margin of 5% per annum if a change of control event occurs as from 30 April 2020. If such a change of control occurs, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

The conditions of the bonds issued in November 2013 (Senior unsecured Euro bond ISIN XS0996772876) provide that if a change of control event occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

#### **(k) Any agreements between the Company and its Board Members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid**

With regard to article 11 (1)(k) of the Takeover Law, it exists the table of remuneration of the Board of Directors. as mentioned in section II.2.

#### Related party transactions

There is no conflict of interest between the duties in respect of the issuer, one of the members of the administration and management, and their private interests and / or other duties. Some buildings are leased to property companies indirectly controlled by Analytical Bioventures SCA. Corresponding rents reflect normal market conditions. For more information on related party transactions, please see note 4.10 to the consolidated financial statements.

There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which the aforementioned persons have been selected as a member of the board of directors or senior management.

No member of the board or senior management has been convicted for fraud, or entered receivership or

liquidation during the last five years, incriminated and/ or official public sanction pronounced against them by statutory or regulatory authorities (including professional bodies). No member of the board or senior management has been disqualified by a court from acting as a member of a body administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer during the last five years.

## Share Market

NYSE Euronext, Paris

	Month	Average closing price (€)	High (€)	Low (€)	Average daily volume ('000)	Market cap (€m)
2013	July	158.89	166.85	147.60	15.9	2,395
	August	179.31	191.90	161.00	22.6	2,703
	September	182.04	188.00	174.85	18.4	2,744
	October	192.27	203.00	181.35	15.4	2,898
	November	190.06	206.30	185.10	14.9	2,865
	December	181.63	196.50	166.00	15.8	2,738
2014	January	195.72	200.90	183.40	11.2	2,976
	February	203.94	220.00	187.00	11.7	3,101
	March	212.11	219.90	203.20	12.2	3,225
	April	205.38	218.90	195.05	12.6	3,123
	May	212.32	226.05	200.40	11.3	3,228
	June	228.39	244.20	217.60	12.2	3,473
	July	227.08	236.00	215.00	7.6	3,453
	August	223.48	243.50	206.65	11.5	3,398
	September	201.21	218.80	186.95	27.5	3,059
	October	186.81	205.00	163.00	30.0	2,840
	November	191.61	201.45	183.65	19.1	2,913
	December	203.89	213.75	191.05	19.2	3,100

## 4.2 Proposed Draft Resolutions

### 1. REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 29 APRIL 2015

We have invited you to this Annual Ordinary General Meeting of shareholders to report on the results of our management, the position and business of Eurofins Scientific S.E, the holding company of the Group, listed on the Euronext Paris stock exchange (the “**Company**”) and of the Eurofins Scientific Group for the year ended 31 December 2014 and to submit the following operations for your approval:

#### **Within the remit of the annual general meeting ruling under the quorum and majority conditions of an ordinary general meeting:**

- Reading of the Board of Directors’ management report, including the report on the management of the group;
- Reading of the Company Auditor’s report on the annual accounts prepared in compliance with the laws and regulations of the Grand Duchy of Luxembourg, the consolidated financial statements of the group prepared in compliance with the International Financial Reporting Standards (IFRS), for the 2014 financial year, and on the performance of its engagement;
- Agreements entered into during the financial year ended 31 December 2014 and referred to in Article 57 of the Luxembourg law of 10 August 1915;
- Approval of the consolidated financial statements for the year ended 31 December 2014;
- Approval of the annual statutory accounts for the year ended 31 December 2014;
- Allocation of results for the year ended 31 December 2014;
- Granting of a discharge to members of the Board of Directors for their management during the 2014 financial year;
- Granting of a discharge to PricewaterhouseCoopers, *Réviseur d’entreprises agréé* (Company auditor) for its audit during the 2014 financial year;
- Renewal of the mandate of PricewaterhouseCoopers or appointment of a new *Réviseur d’entreprises agréé* (Company auditor) of the Company;
- Setting of the amount of attendance fees allocated to directors for the 2015 financial year;

- Acknowledgement of the operations on capital performed by the Board of Directors through the share buyback programme decided by the extraordinary General Meeting of shareholders held on 16 April 2013;
- Powers for carrying out legal formalities.

The purpose of this report by your Board of Directors is to provide you with information about these issues to enable you to make a decision with full knowledge of the facts.

The report of the Company Auditor.

This report, as well as all the other documents required by applicable regulations, has been placed at your disposal at our head office under the conditions and within the deadlines provided by law to enable you to read them before the meeting.

The report concerns the Board of Directors’ presentation of the management of the Company and the Group for the financial year ended 31 December 2014 and the decisions submitted for the approval of the ordinary General Meeting.

### **MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014**

#### **1.1. Management report for financial year 2014**

In accordance with the law and the Company’s articles of association, we have invited you to this General Meeting to report on the position and business of your Company and its subsidiaries for the financial year ended 31 December 2014, and to submit the annual accounts and the consolidated financial statements of said year for your approval.

By applying the principles of prudence and fairness, the annual accounts presented to you, comprising the balance sheet, the profit and loss account and the notes, have been prepared in accordance with the laws and regulations of the Grand-Duchy of Luxembourg, while the consolidated financial statements of the group have been prepared in accordance with international financial disclosure standards (IFRS).

#### **1.2. Regulated agreements**

**Agreements entered into during the financial year ended 31 December 2014 and referred to in Articles 49-6 and 57 of the Luxembourg law of 10 August 1915 on commercial companies as amended**

No new agreements that would fall within the scope of Articles 49-6 and 57 of the Luxembourg law of 10 August 1915 on commercial companies as amended were entered into during the year under review.

**Agreements referred to in Articles 49-6 and 57 of the Luxembourg law of 10 August 1915 on commercial companies as amended, approved in prior financial years, and that continued to be implemented during the year under review**

None of the agreements referred to in Articles 49-6 and 57 of the Luxembourg law of 10 August 1915 on commercial companies as amended, and approved in prior financial years, continued to be implemented during the year under review.

### **1.3. Approval of the 2014 consolidated financial statements**

The report of the Company Auditor on the 2014 consolidated financial statements has been placed at your disposal.

After you have read it, we ask you, under the second resolution, to approve all the consolidated financial statements for the year ended 31 December 2014, as they have been presented, as well as the transactions contained in said financial statements and reports, showing a consolidated net profit of EUR 79,131 K with a balance sheet total of EUR 1,873,190 K.

### **1.4. Approval of the 2014 annual statutory accounts and allocation of results for the year**

The report of the Company Auditor on the 2014 annual accounts has been placed at your disposal.

After you have read it, we also ask you, under the third resolution, to approve the annual statutory accounts for the year ended 31 December 2014 as a whole, comprising the balance sheet, the profit and loss account and the notes, prepared in accordance with the laws and regulations of the Grand-Duchy of Luxembourg, as they have been presented, as well as the transactions contained in said accounts and reports, showing a profit of EUR 6,727,118.48 with a balance sheet total of EUR 1,380,780 K.

After you have approved the annual accounts, we propose to allocate the results for the financial year ended 31 December 2014, which amounts to a benefit of EUR 6,727,118.48, as follows:

- EUR 1,311.36

to the "Legal reserve" account, which account is increased accordingly from EUR 150,733.11 to EUR 152,044.47

-EUR 6,725,807.12 as dividends

TOTAL EQUAL TO THE PROFIT FOR THE FINANCIAL YEAR EUR 6,727,118.48.

It is further proposed as an additional dividend to distribute an amount of EUR 13,344,062.92 from the Retained earnings, the latter being reduced from EUR 175,157,305.70 to EUR 161,813,242.78.

Consequently the total dividend proposed would amount to EUR 20,069,870.04, representing EUR 1.32 per share.

### **1.5. Granting of discharge to members of the Board of Directors**

Under the 5<sup>th</sup> resolution, we ask you to decide by a special vote, to grant a discharge to members of your Board of Directors for their management during the 2014 financial year.

### **1.6. Granting of discharge to the Company auditor**

Under the 6<sup>th</sup> resolution, we ask you to decide by a special vote, to grant a discharge to PricewaterhouseCoopers, *Réviseur d'entreprises agréé* for its audit during the 2014 financial year.

### **1.7. Status of the mandate of directors**

The mandates as director of Ms. Valérie Hanote, Ms. Fereshteh Poutchantchi, Mr. Yves-Loïc Martin, Mr. Stuart Anderson and Dr. Gilles Martin have not expired. No new appointments are being put forward at the meeting.

### **1.8. Status of the mandate of the Company Auditor**

The mandate of the Company Auditor:

- PricewaterhouseCoopers

the registered office of which is located at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
RCS Luxembourg B 65477

will expire at the end of the next General Meeting.

We propose, under the 7<sup>th</sup> resolution, after granting full discharge for its mission during the 2014 financial year, that either you renew the mandate of PricewaterhouseCoopers as Company Auditor, or appoint a new Company Auditor, for a term that will expire at the end of the annual General Meeting that will be called in 2016 to approve the accounts of the 2015 financial year.

### **1.9. Fixing of attendance fees paid to Directors**

Under the 8<sup>th</sup> resolution, we propose to set to 150,000 (one hundred and fifty thousand) Euros the total amount of attendance fees allocated to directors for the 2015 financial year, in accordance with article 17 of the Company's by-laws (*statuts*).

### **1.10. Information on the transactions carried out by the Board of Directors under the Company's share buyback program authorised by the extraordinary General Meeting of Shareholders held on 16 April 2013**

We remind you that, under the 9<sup>th</sup> resolution, the Extraordinary General Meeting of shareholders held on 16 April 2013 authorised the Company to buy back its own shares, as provided in article 49-2 of the Luxembourg law of 10 August 1915 on commercial companies as amended and by European Regulation No. 2273/2003 of 22 December 2003, for a period of five (5) years.

The share buyback programme also provides for the possibility for the Company to cancel the shares bought back, which involves a reduction of share capital.

The Board of Directors was authorised to cancel all or part of the Company's shares that the Company may hold in the course of implementation of the share buyback programme and to charge the difference between the purchase price of the cancelled shares and their nominal value to the available premiums and reserves.

The authorization was given for a period of five (5) years as from the date of the said General Meeting and cancelled the effects of any previous authorisation of the same nature.

According to the powers granted to it by the Extraordinary General Meeting of shareholders held on 16 April 2013, your Board of Directors informs you that, during the financial year ended 31 December 2014, it did not carry out any transaction under such buy-back program.

#### **1.11. Powers**

We also propose that you grant full powers to the bearer of a copy or excerpt of the minutes of the general meeting to carry out all necessary publication formalities.

This is the purpose of the 10<sup>th</sup> resolution.

**ooOOoo**

We remain available to provide you with any explanations and further information that you may need.

Your Board of Directors invites you, after reading its report and the report presented by your Auditor, to adopt the resolutions that it has submitted for your vote which present the items of this report.

**The Board of Directors**

## 5 Internal control

Internal control in the Company balances the objectives of the Group, such as maximising shareholder returns through strong growth in revenues, both organically and by acquisitions, building barriers to entry through investment in state-of-the-art technology and by increasing profitability in good laboratory management, all at the same time as managing the risks inherent in the business and the protection of shareholder interests.

### 1. The role of Internal control

Internal control aims at achieving the following objectives :

- Reliability of the accounting and financial information;
- Realisation and optimisation of operational decisions;
- Compliance with rules and regulations;
- Safeguarding the assets of the Group.

Eurofins Scientific SE is the holding company at the head of the Group and has an important role to manage its investments and the financing of the activities of its subsidiaries, to provide support, to facilitate communication and to develop resources that are available Group-wide.

The decentralised organisation of the Group in autonomous clusters and business units enables the subsidiaries to make decisions at the ground level and to maintain some independence. Strategic choices are determined and approved at a central level.

The internal control process falls within this framework of a decentralised organisation in terms of roles and responsibilities, policies and procedures. This aims to assure that the Group takes the necessary measures to manage the existing and potential risks of the Group's financial position and objectives. At an operational level, the internal control procedures are disseminated by the local managers to their teams.

At a functional level, internal control aims at:

- Assuring reliable financial statements that provide a true and fair view of the Company's activities
- Promoting better effectiveness by seeking and deploying best practices within the Group and by defining the managers' role and responsibilities as part of the control environment of the Group.
- Encouraging support for the managerial guidelines, the Group's procedures and any other compulsory or statutory regulation.
- Assuring the protection of the Group's assets by spot checking the accuracy and the reliability of the accounting information during

the internal audit reviews: the controls notably focus on the protection of the assets, the separation of the tasks, the respect of the internal procedures in terms of approval of investing and updating the PPE database.

### 2. Internal Audit

Compliance with the Group's internal control systems is overseen by the internal audit team. Their role is to draw up manuals detailing the regulations and controls that enable high quality corporate governance. Internal audit teams also review operational procedures upon the right level of internal controls and are responsible for the application of the internal control systems. The Group's internal control and financial procedures are reviewed and updated on a regular basis, and are readily accessible to the relevant employees via the company intranet.

In 2014 the Internal Audit function reviewed the following as part of their duties:

- An analysis of business units' compliance with internal control procedures following a thorough review of these procedures in the previous year;
- An in-depth analysis of personnel costs of key operational management members;
- Progress on the implementation of recommendations of the external auditors;
- A review of important or strategic investment projects;
- The ongoing evaluation of the organisation of the finance and administrative teams;
- Further development of Group recommendation procedures.

### 3. Production of financial information

One of the main functions of internal control and the Audit Committee is to produce financial statements that provide a true and fair view of the Company's activities. The financial reporting process is managed according to the Group's internal control systems using a dedicated software by the financial controlling team

#### Regular reporting

Each subsidiary or business unit submits a pro-forma financial report on a monthly basis (income statement, balance sheet and cash flow), with additional key business metrics highlighted, such as comparable data (budget and prior periods), working capital ratios and free cash generation.

As well as being able to monitor each business units' performance, the internal control function checks the consistency and reliability of the results, along with the consistent application of the correct accounting principles applied by the different national finance directors in accordance with the Group's accounting policies.

## Quarterly statutory consolidation

In addition to the monthly reporting, each subsidiary has to produce:

- a quarterly consolidation manual;
- a quarterly review of budgeted KPIs per business unit;
- a quarterly review of the overhead costs (management, sales and marketing, IT, etc) and of the capital expenditures; and
- from time to time (minimum on an annual basis), a report - containing profit and loss, balance sheet, cashflow and change in equity statements - which has been subject to a limited review by the external auditors.

The consolidation documents are approved by the finance directors of each country, having vouched for its accuracy and reliability of information contained therein. A dedicated software is used in the consolidation of this information and the production of the financial statements.

### **4. Publication of Financial Information**

Eurofins publishes its half-year and annual results with a press release discussing the operating and financial developments in detail, with a full income, balance sheet and cash flow statement, as well as all relevant interim notes. In the interest of transparency and to provide sufficient visibility in terms of its progress, the Company also publishes revenue developments for the first and third quarter of the year, as well as some information on the trading patterns for the period.

### **5. Annual Budget Process**

The Company prepares a formal budget each year, which encourages financial discipline and helps management to plan activities and allocate resources accordingly. Each business unit submits the following information, which has to be authorised by the Group Operating Council and Board of Directors:

- An estimated monthly and yearly income statement;
- A detailed plan monitoring the development of salary costs and a budget for capital expenditure;
- An estimated balance sheet and cash flow statement for each country, and an estimated balance sheet and cash flow statement per legal entity with a strong focus on the Day Sales Outstanding and Net Working Capital in % of Revenues.

A mid-term plan with a three year horizon is drawn up at the same time with a simplified income statement and specific indicators for each business unit. In addition a description of the competitive environment and operational KPIs is also presented.

## **6. Financial Risk management**

For more information on financial risk management, please refer to the notes to the financial statements (note 4.2).

## **7. Decision-making Process**

Decision-making, important in the decentralized model used by Eurofins, is based on an approval system. For each level of decision, the approver is precisely defined and signatures are required. Regulations are tailored according to each company's legal environment in order to comply with the governance structure (as outlined by both the Board of Directors and the Group Operating Council).

These decisions pertain to the strategy, the budget, investments, key personnel management, the financing and insurance policies, net working capital management, the operations and transactions with other companies outside the Group, the Group legal organisation as well as general commercial terms.

## **8. Ethics Code**

The Eurofins Group's mission, vision and values include a code of ethics that determines our behaviour and professionalism. These values represent the Eurofins' standards for all the managers and operatives and have been disseminated to all Eurofins' employees through the various local Employee Handbooks.

### *Eurofins Values*

(what we stand for / what is important to us)

#### Customer Focus

- Delivering Customer satisfaction by listening to and exceeding customer expectations
- Adding value for our customers through our services
  - Seeking innovative solutions to help our customers achieve their goals

#### Quality

- Delivering quality in all our work; providing accurate results on time
- Using the best appropriate technology and methods
- Seeking to improve or change our processes for the better

#### Competence and Team Spirit

- Employing a team of talented and competent staff
- Investing in training and creating good career opportunities
- Recognising and encouraging outstanding performance

## Integrity

- Behaving ethically in all our business and financial activities
- Demonstrating respect towards our customers and our staff
- Operating responsible environmental policies

### **9. Summary**

The activities of the Company are increasingly based on established procedures whose objective is to manage risk. Nevertheless it is important to review these procedures regularly and to standardise them in so far as is allowable within the structure of the Group. They are intended to be updated regularly in order to gain assurance that they are not only current but also that they are in the best interest of Group internal control.

The Board of Directors considers that the current corporate governance environment at Eurofins is appropriate for a business of its size, nature and operations.

## 6 Statement of persons responsible for the annual report

The Directors confirm that, to the best of their knowledge, the annual statutory accounts, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins Scientific SE and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors



Gilles MARTIN  
Chairman of the Board and CEO

### III. ANNUAL FINANCIAL STATEMENTS

#### 1 Consolidated Financial Statements

##### Consolidated Income Statement

January 1, 2014 to December 31, 2014

EUR Thousands	Note	2014			2013		
		Adjusted results <sup>1</sup>	Separately disclosed items <sup>2</sup>	Reported results	Adjusted results <sup>1</sup>	Separately disclosed items <sup>2</sup>	Reported results
<b>Revenues</b> <sup>3</sup>	4.1	<b>1,410,227</b>	-	<b>1,410,227</b>	<b>1,225,572</b>	-	<b>1,225,572</b>
Operating costs, net	2.1	-1,149,797	-30,420	-1,180,217	-1,006,291	-30,191	-1,036,482
<b>EBITDA</b> <sup>4</sup>		<b>260,430</b>	<b>-30,420</b>	<b>230,010</b>	<b>219,281</b>	<b>-30,191</b>	<b>189,090</b>
Depreciation and amortisation	3.1, 3.2	-70,546	-10,737	-81,283	-57,380	-9,500	-66,880
<b>EBITAS</b> <sup>5</sup>		<b>189,884</b>	<b>-41,157</b>	<b>148,727</b>	<b>161,901</b>	<b>-39,691</b>	<b>122,210</b>
Non-cash stock option charge and acquisition-related expenses, net <sup>6</sup>	2.4	-	-16,889	-16,889	-	-9,977	-9,977
<b>EBIT</b>		<b>189,884</b>	<b>-58,046</b>	<b>131,838</b>	<b>161,901</b>	<b>-49,668</b>	<b>112,233</b>
Finance income	2.5	2,232	-	2,232	1,112	-	1,112
Finance costs	2.5	-32,980	-	-32,980	-24,570	-	-24,570
Share of (loss)/ profit of associates	3.4	243	-	243	288	-	288
Profit before income tax		159,378	-58,046	101,332	138,731	-49,668	89,063
Income tax expense	2.6	-31,131	8,930	-22,201	-22,049	4,879	-17,170
<b>Net profit and loss for the period</b>		<b>128,247</b>	<b>-49,116</b>	<b>79,131</b>	<b>116,682</b>	<b>-44,789</b>	<b>71,893</b>
<b>Net profit and loss attributable to:</b>							
▪ <b>Equity holders of the Company</b>		<b>128,195</b>	<b>-49,091</b>	<b>79,104</b>	<b>116,759</b>	<b>-44,579</b>	<b>72,180</b>
▪ Non-controlling interests		52	-25	27	-77	-210	-287
Earnings per share (basic) in EUR	4.8						
- Total		8.47	-3.25	5.23	7.79	-2.97	4.81
- Attributable to hybrid capital investors		0.07	-	0.07	1.27	-	1.27
- Attributable to equity holders of the Company		8.40	-3.25	5.15	6.52	-2.97	3.54
Earnings per share (diluted) in EUR	4.8						
- Total		7.98	-3.06	4.93	7.30	-2.79	4.51
- Attributable to hybrid capital investors		0.07	-	0.07	1.19	-	1.19
- Attributable to equity holders of the Company		7.91	-3.06	4.86	6.11	-2.79	3.32
Weighted average shares outstanding (basic) – in thousands	4.8	15,127	-	15,127	14,993	-	14,993
Weighted average shares outstanding (diluted) – in thousands	4.8	16,060	-	16,060	15,994	-	15,994

<sup>1</sup> Adjusted results – reflect the ongoing performance of the mature and recurring activities excluding “separately disclosed items” (Note 1.28 & 1.29).

<sup>2</sup> Separately disclosed items – include one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions and the related tax effects – Details are provided in Note 1.29 & 2.3.

<sup>3</sup> Mature and recurring activities represented EUR 1,244m and EUR 1,072m of revenues in 2014 and 2013 respectively.

<sup>4</sup> **EBITDA** – Earnings before interest, taxes, depreciation and amortisation, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions.

<sup>5</sup> **EBITAS** – Earnings before interest, taxes, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

<sup>6</sup> **Non-cash stock option charge and acquisition-related expenses** – non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

## Consolidated statement of comprehensive income

January 1, 2014 to December 31, 2014

EUR Thousands	Note	2,014	2,013
<b>Net profit for the period</b>		<b>79,131</b>	<b>71,893</b>
Other comprehensive income/ loss (OCI)			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences		34,392	-17,405
Net investment hedge		10,919	-8,287
Available-for-sale financial assets	3.5	1,564	-
Cash flow hedge	4.5	2,757	4,762
Income tax on items that may be reclassified	3.17	963	700
<b>Total</b>		<b>50,595</b>	<b>-20,230</b>
<u>Items that will not be reclassified to profit or loss :</u>			
Retirement benefit obligations	3.15	-4,095	304
Deferred taxes on retirement benefit obligations	3.17	1,454	-180
<b>Total</b>		<b>-2,641</b>	<b>124</b>
<b>Other comprehensive loss for the period, net of tax</b>		<b>47,955</b>	<b>-20,106</b>
<b>Total comprehensive income for the period</b>		<b>127,086</b>	<b>51,787</b>
<b>Attributable to:</b>			
Equity holders of the Company		126,970	52,242
Non-controlling interests		116	-455

## Consolidated Balance Sheet

As of December 31, 2014

EUR Thousands		2014	2013
	Note		
Property, plant and equipment	3.1	323,747	251,113
Goodwill	3.2	679,030	456,388
Other intangible assets	3.2	193,534	86,382
Investments in associates	3.4	2,887	4,594
Financial assets and other receivables	3.5	23,264	16,805
Deferred tax assets	3.17	26,333	32,757
<b>Total non-current assets</b>		<b>1,248,795</b>	<b>848,039</b>
Inventories	3.6	24,623	20,141
Trade accounts receivable	3.7	321,476	272,650
Prepaid expenses and other current assets	3.8	43,625	34,353
Current income tax assets		14,728	20,141
Cash and cash equivalents	3.9	216,620	297,257
<b>Total current assets</b>		<b>621,072</b>	<b>644,542</b>
<b>Assets classified as held for sale</b>	3.3	<b>3,323</b>	<b>4,435</b>
<b>Total assets</b>		<b>1,873,190</b>	<b>1,497,016</b>
Share capital		1,520	1,507
Hybrid capital	3.12	300,000	150,000
Other reserves		105,510	98,699
Retained earnings		220,986	154,235
Currency translation differences		28,467	-16,755
Total attributable to equity holders of the Company		656,483	387,686
Non-controlling interests	3.21	7,758	7,054
<b>Total shareholders' equity</b>		<b>664,241</b>	<b>394,740</b>
Borrowings	3.10	638,054	666,875
Derivative financial instruments	4.5	12,362	15,119
Deferred tax liabilities	3.17	42,274	28,965
Amounts due for business acquisitions	3.14	25,235	16,928
Retirement benefit obligations	3.15	34,616	30,691
Provisions for other liabilities and charges	3.16	4,903	4,985
<b>Total non-current liabilities</b>		<b>757,444</b>	<b>763,563</b>
Borrowings	3.10	72,178	17,228
Interest and earnings due on hybrid capital	3.11	23,832	14,123
Trade accounts payable	3.13	127,141	100,951
Advance payments received	3.7	18,621	14,369
Deferred revenues	3.7	18,804	16,764
Current income tax liabilities		11,476	20,934
Amounts due for business acquisitions	3.14	19,073	9,892
Provisions for other liabilities and charges	3.16	8,279	10,881
Other current liabilities	3.13	152,101	133,571
<b>Total current liabilities</b>		<b>451,505</b>	<b>338,713</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,873,190</b>	<b>1,497,016</b>

## Consolidated Cash Flow Statement

January 1, 2014 to December 31, 2014

EUR Thousands	Note	2014	2013
<b>Cash flows from operating activities</b>			
Result before income taxes		101,332	89,063
Adjustments for:			
Depreciation and amortisation	3.1, 3.2	81,283	66,880
Non-cash stock option charge and acquisition-related expenses, net	2.4	16,889	9,977
Other non-cash effects		3,285	862
Financial income and expense, net		30,701	22,302
Share of profit from associates	3.4	-243	-288
Transactions costs and income related to acquisitions	2.4	-1,605	-2,233
Increase (decrease) in provisions, retirement benefit obligations	3.15, 3.16	-4,276	-531
Change in net working capital	3.18	17,077	13,773
<b>Cash generated from operations</b>		<b>244,443</b>	<b>199,805</b>
Income taxes paid		-32,270	-30,466
<b>Net cash provided by operating activities</b>		<b>212,173</b>	<b>169,338</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, net of cash acquired	3.19	-291,798	-87,437
Purchase of property, plant and equipment	3.1	-105,506	-79,229
Purchase, capitalisation of intangible assets	3.2	-29,018	-20,327
Proceeds from sale of property, plant and equipment		3,334	832
Change in investments and financial assets, net	3.4, 3.5	-1,631	-3,987
Interest received		2,233	1,130
<b>Net cash used in investing activities</b>		<b>-422,386</b>	<b>-189,018</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of share capital		6,898	7,992
Proceeds from borrowings	3.10	41,277	325,261
Repayments of borrowings	3.10	-27,220	-83,651
Change in hybrid capital	3.12	163,316	-9,114
Dividends paid to shareholders and non-controlling interests		-18,314	-15,485
Earnings paid to hybrid capital investors	3.12	-5,667	-9,666
Interest paid		-30,476	-21,370
<b>Net cash provided by financing activities</b>		<b>129,814</b>	<b>193,967</b>
Net effect of currency translation on cash and cash equivalents and bank overdrafts		2,221	-3,236
<b>Net increase (decrease) in cash and cash equivalents and bank overdrafts</b>		<b>-78,178</b>	<b>171,051</b>
Cash and cash equivalents and bank overdrafts at beginning of period		293,268	122,217
<b>Cash and cash equivalents and bank overdrafts at end of period</b>	3.9	<b>215,090</b>	<b>293,268</b>

## Consolidated Statement of Changes in Equity

As of December 31, 2014

EUR Thousands	Note	Attributable to equity holders of the Company						Total equity
		Share capital	Other reserves	Currency translation differences	Hybrid capital	Retained earnings	Non-controlling interests	
<b>Balance at January 1st, 2013</b>		<b>1,488</b>	<b>90,853</b>	<b>8,769</b>	<b>150,000</b>	<b>119,364</b>	<b>1,518</b>	<b>371,992</b>
Currency translation differences		-	-	-17,237	-	-	-168	-17,405
Net investment hedge		-	-	-8,287	-	-	-	-8,287
Cash flow hedge		-	-	-	-	4,762	-	4,762
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	304	-	304
Deferred taxes on Actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	-180	-	-180
Deferred taxes on net investment hedge	3.17	-	-	-	-	700	-	700
Other comprehensive income (loss) for the period, net of taxes		-	-	-25,524	-	5,586	-168	-20,106
Net profit		-	-	-	-	72,180	-287	71,893
<b>Total comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-25,524</b>	<b>-</b>	<b>77,766</b>	<b>-455</b>	<b>51,787</b>
Stock options effects	2.4	-	-	-	-	3,975	-	3,975
Issue of share capital	1.14	19	7,846	-	-	-	127	7,992
Issue of hybrid capital	3.12	-	-	-	150,000	-1,934	-	148,066
Repayment of hybrid capital	3.12	-	-	-	-150,000	-7,180	-	-157,180
Distribution on hybrid capital	3.12	-	-	-	-	-19,274	-	-19,274
Dividends		-	-	-	-	-14,936	-549	-15,485
Non-controlling interests arising on business combinations	3.19, 1.22	-	-	-	-	-3,546	6,412	2,866
<b>Balance at December 31, 2013</b>		<b>1,507</b>	<b>98,699</b>	<b>-16,755</b>	<b>150,000</b>	<b>154,235</b>	<b>7,054</b>	<b>394,740</b>
<b>Balance at January 1st, 2014</b>		<b>1,507</b>	<b>98,699</b>	<b>-16,755</b>	<b>150,000</b>	<b>154,235</b>	<b>7,054</b>	<b>394,740</b>
Currency translation differences		-	-	34,303	-	0	89	34,392
Net investment hedge		-	-	10,919	-	-	-	10,919
Available-for-sale Financial Assets		-	-	-	-	1,564	-	1,564
Cash flow hedge	4.5	-	-	-	-	2,757	-	2,757
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	-4,095	-	-4,095
Deferred taxes on Actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	1,454	-	1,454
Deferred taxes on net investment hedge	3.17	-	-	-	-	963	-	963
Other comprehensive income (loss) for the period, net of taxes		-	-	45,222	-	2,644	89	47,955
Net profit		-	-	-	-	79,104	27	79,131
<b>Total comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>45,222</b>	<b>-</b>	<b>81,748</b>	<b>116</b>	<b>127,086</b>
Stock options effects	2.4	-	-	-	-	4,756	-	4,756
Tax credit relating to share option scheme		-	-	-	-	890	-	890
Issue of share capital	1.14	13	6,812	-	-	-	73	6,898
Issue of hybrid capital	3.12	-	-	-	150,000	13,316	-	163,316
Distribution on hybrid capital	3.12	-	-	-	-	-15,275	-	-15,275
Dividends		-	-	-	-	-18,088	-226	-18,314
Non-controlling interests arising on business combinations	3.19, 1.22	-	-	-	-	-596	741	145
<b>Balance at December 31, 2014</b>		<b>1,520</b>	<b>105,510</b>	<b>28,467</b>	<b>300,000</b>	<b>220,985</b>	<b>7,758</b>	<b>664,241</b>

## Notes to the consolidated financial statements

In the consolidated financial statements and the notes all amounts are shown in EUR Thousands and differences of EUR +/- 1 thousand are due to rounding.

Eurofins Scientific S.E. (the "Company") and its subsidiaries ("Eurofins" or the "Group") operate around 200 laboratories across 36 countries.

Eurofins is the world leader in food and pharmaceutical products testing. It is also number one in the world in the field of environmental laboratory services and one of the global market leaders in agrosience, genomics, discovery pharmacology and central laboratory services.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company head-office is at 23 Val Fleuri, L1526 Luxembourg, Grand Duchy of Luxembourg and the Company is registered with the Luxembourg Register of Commerce under the number B 167 775.

These consolidated financial statements have been adopted by the Board of Directors on February 26, 2015 and will be submitted to the Shareholder Meeting for approval.

### 1. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

##### Accounting standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. At December 31, 2014, the Standards adopted by the European Union and used by the Company for the preparation of these financial statements present no differences with the standards as published by the IASB. The standards, as adopted by the European Union, are available on the website:

<http://ec.europa.eu/internalmarket/accounting/iasfr.htm#adopted-commission>.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the re-evaluation of available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.25.

#### 1.2 Application of standards, amendments and interpretations

(a) *New and amended standards adopted by the Group without significant impact on the consolidated financial statements as of December 31, 2014:*

- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- IAS 28R 'Investments in Associates and Joint Ventures'
- IAS 32 (Amendment), 'Financial instruments Presentations'
- IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement'
- IAS 36 (ESMA Decision), 'Impairment of Assets'
- IFRS 5 (ESMA Decision) 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 3 (ESMA Decision) 'Business combination'

(b) *The following standards, amendments and interpretations to existing standards effective as of January 1st, 2015 were not early adopted by the Group. The potential impact of these on the consolidated financial statements is under assessment by the Group.*

- IFRS 11 (Amendment) 'Joint arrangements'
- IFRS 10 (Amendment) 'Consolidated financial statements'
- IAS 28R (Amendment) 'Investments in Associates and Joint Ventures'
- IFRIC 21 (Interpretation) 'Taxes'
- IFRS 8 (Amendment), 'Segment information'
- IAS 16 (Amendment), 'Property, Plant and Equipment'
- IAS 19 (Amendment), 'Employee Benefits'
- IFRS 2 (Amendment), 'Share Based Payment'
- IAS 38 (Amendment), 'Intangible Assets'
- IFRS 7 (Amendment), 'Financial Instruments : Disclosure'
- IAS 24 (Amendment), 'Related Party Disclosures'

#### 1.3 Consolidation

##### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable and cross put and call options agreements are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date such control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

All inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. When necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the Group.

The companies acquired at the end of the year are not consolidated if their contribution in terms of total assets, sales and net profit is not material in comparison with the consolidated accounts. They will be consolidated as from 1<sup>st</sup> of January of the following year.

The Group holds no special purpose entities that are not consolidated.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit and loss.

A listing of the Group's subsidiaries is set out in Note 5. The financial effect of the acquisition and disposal of subsidiaries is described in Note 3.19.

The annual closing date of the individual financial statements is December 31.

#### **Transactions with non-controlling interests ("NCI")**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, which means as transactions with the owners in their capacity as owners.

For purchases from non-controlling interests after the initial control of the entity, the differences between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the entity are recorded in equity. Gains and losses on disposals to non-controlling interests are also recorded in equity.

#### **Put and call options at acquisition time**

When the Group takes control of a subsidiary, it may enter into obligations to acquire the shares held by minority shareholders (put options) and concomitantly benefits from the option to acquire these same shares (call options). These agreements are accounted for as follows:

- In case of cross put and call options exercisable at a fixed price, Management considers these instruments as being exercised as the risks and rewards in substance transferred to the Group from inception. As such, non-controlling interests are not recognised in the Balance Sheet and the Income Statement.
- In case of cross put and call options at a variable price resulting from a business combination completed after the first application of IFRS 3R, Management considers whether the risks and rewards are actually transferred to the Group:
  - Where it is determined that risks and rewards did not transfer to the Group, non-controlling interests are recognised in the Income Statement and the Balance Sheet.
  - Where it is determined that risks and rewards did transfer to the Group upon entering into the cross put and calls, non-controlling interests are not recognised in the Balance Sheet and the Income Statement.

In addition a financial liability reflecting the put option element of the transaction is recognised for an amount corresponding to the present value of the redemption amount of the put option. Such financial liability is reclassified from the equity attributable to holders of the Company.

Any post-acquisition adjustment to the initial value on the put liability on non-controlling interests is booked to profit and loss.

The Group is also closely monitoring the guidelines of the IASB and the IFRIC, which could lead to an amendment of specific standards on the treatment of such put options granted to holders of non-controlling interests.

In case of cross put and call options at a variable price resulting from a business combination completed prior to the first application of IFRS 3R, the put liability is netted with the non-controlling interest part and the difference results in a goodwill and any post-acquisition adjustments to the original value on the put option are booked in "goodwill in progress".

#### **Associates**

Associates are all entities over which the Group has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the associate after the date of acquisition.

#### **Joint arrangements**

The Group has no joint arrangements.

#### **1.4 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share in the net assets of the acquired subsidiary at the date of acquisition.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement (bargain purchase or negative goodwill).

In accordance with IFRS 3R, the Group has twelve months from the acquisition date to finalise the allocation of the purchase price over the fair values of the acquiree's identifiable assets and liabilities.

IFRS 3R allows an accounting policy choice, available on a transaction by transaction basis, to measure non-controlling interests (NCI) either at:

- fair value ('full goodwill method'), or
- the NCI's proportionate share of net assets of the acquiree ('partial goodwill method').

Goodwill on acquisition of associates is included in "investments in associates".

#### **1.5 Intangible assets**

Intangible assets (software development costs and software licences) are booked at historical value, revised periodically in case of impairment. They are amortised over their estimated useful life of 3 years.

Other intangible assets (customer relationships, brands) acquired as part of an acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably. Customer relationships and Brands have a finite useful life. They are valued according to the Income Approach.

Customer relationships are valued using the discounted cash flow method using an appropriate discount rate (WACC) over a maximum period of 15 years. The value is based on the sales acquired using an annual percentage of attrition after deduction of the contributory assets charges (remuneration of the fixed assets, working capital, workforce and brands). Customer relationships are amortised on a straight-line basis over their estimated useful lives. For outsourcing deals signed with a sales contract, the amortisation period is aligned with respect to the duration of the contract.

Brands are assessed on the basis of their royalty potential in relation to the annual sales, net of taxes. Brands are amortised on a systematic basis over their estimated useful lives (maximum period of 25 years).

### 1.6 Development costs

The IT development costs (e.g. Laboratory information management systems) are capitalised under the criteria of IAS 38:

- It is technically feasible to complete the software products so that it will be available for use;
- Management intends to complete the software products and use it;
- There is an ability to use the software products;
- It can be demonstrated how the software products can generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software products are available;
- The expenditure attributable to the software product during its development can be reliably measured.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Directly attributable costs include the software development employee costs and an appropriate portion of relevant overheads.

Software development costs recognised as assets are amortised over their estimated useful lives which do not exceed three years.

Business development costs are recognised as an expense as they do not currently correspond to the criteria of capitalising development costs as described in IAS 38.

### 1.7 Property, plant and equipment

Fixed assets are stated at historical cost less depreciation. Depreciation on fixed assets is calculated using the straight-line method to write off their cost to their residual values over their estimated useful lives as follows:

- Buildings and leasehold improvements 5-20 years
- Machinery and laboratory equipment 5 years
- Office equipment, furniture and vehicles 3-5 years

Land is not depreciated as it is deemed to have an indefinite life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 1.8 Finance and Operating Leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between

the liability and finance charges. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter period of the lease term or the asset useful life, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in that case the depreciation period is the useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

### 1.9 Impairment of non financial assets

Assets that have an indefinite useful life (goodwill) are not subject to amortisation and are tested for impairment annually or if objective evidence of impairment loss.

Assets that are subject to amortisation (e.g. customer relationship, brands) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets including goodwill are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The allocation of goodwill is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Each of those cash-generating units represents the Group's investment in a geographical area of operation (Note 4.1).

The asset's fair value less costs to sell of the cash-generating unit corresponds to an estimate based on financial multiples calculated on:

- the average revenues of the last two years ;
- the average adjusted EBITDA & EBITAS over the last two years.

The financial multiples are validated annually by comparison with the valuation and the price of take-overs of comparable companies.

The value in use is estimated by the discounted cash flows method using an appropriate discount rate (WACC). This rate is adapted to each cash-generating unit. The estimates of future cash flows and the discount rates are determined on a pre-tax basis. The debt/equity ratio is taken independently of the Group's capital structure. The cost of debt has been determined taking into account prevailing economic conditions and the time horizon of expected cash flows.

The valuation of the value in use is determined using reasonable assumptions (WACC, organic growth), based on a projected five-year period. The valuation includes the net cash flows from disposal at the end of the useful life (terminal value).

Goodwill impairment reviews are undertaken annually or more frequently if events of changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Non-financial assets other than goodwill are reviewed at each reporting date for possible reversal of an impairment loss that may have taken place.

### 1.10 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in OCI are reclassified to the Income Statement.

Loans and receivables are carried at amortised cost using the effective interest method.

The fair values of quoted investments are based on bid prices at year-end. If the market for a financial asset is not active (or for unlisted securities), the Group calculates a fair value by using valuation techniques. The fair value of short term financial assets and liabilities is considered to be the value at the Balance Sheet date in view of the short maturity of this instrument.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

### 1.11 Inventories

The inventory of consumables consists primarily of chemical products. Inventories are stated at the lower amount between cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The above inventories are usually used within 2 years of their purchase.

### 1.12 Trade accounts receivable

Trade accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade accounts receivable correspond to amounts invoiced, accrued or due by clients for analysis in progress, depending on the stage of completion of the analysis/work performed.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due, according to the original terms of sale. This risk is assessed in a prudent and standardised way with particular regard to the age of the account, the customer status, the country and the fact of invoices being subject to dispute.

For governmental organisations, an individual review of all outstanding amounts is carried out at the end of each year.

Bad debts are written off during the year in which they are identified.

### 1.13 Cash and cash equivalents and bank overdrafts

For the purposes of the Balance Sheet, cash and cash equivalents include cash in hand, deposits held at call with banks, and investments in money market instruments highly liquid (with original maturities of three months or less that can be sold at any time). Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

### 1.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributable incremental costs net of income taxes is deducted from total shareholders' equity as treasury shares until the shares are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

### 1.15 Provisions

Provisions for restructuring costs, legal claims and environmental restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 1.16 Employee benefits

#### Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

In accordance with IAS 19R the liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated or reviewed annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds (Iboxx AA) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments, law changes and changes in actuarial assumptions are recognised immediately in Other Comprehensive Income as they occur.

Past services (including those resulting from plan amendments) are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group

has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### Share-based compensation

The Group operates a number of equity settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period and the counterpart is accounted for in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and other reserves when the options are exercised.

#### Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing schemes based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **1.17 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently recorded at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

The costs of the transaction are deducted from the debt and are expensed along the maturity of the borrowings.

### **1.18 OBSAAR Bonds**

IAS 32 states that the issuer of a hybrid bond comprising elements of debt and equity will post these elements separately:

- The 1st element (the bond) is considered to be a form of debt characterised by the existence of a contractual obligation to the issuer to give to the holder of the financial instrument liquid assets or other financial assets.
- The 2nd element (the redeemable share subscription warrant, BSAAR) is considered to be an equity instrument giving the bearer the option of buying into the issuer's share capital.

Paragraph 31 of IAS 32 requires that when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

In accordance with paragraph 32 of IAS 32, the carrying amount of the liability component corresponds to the fair value of a similar liability that does not have an associated equity component.

The value in terms of equity is not reevaluated during the lifetime of the BSAAR. If the warrant is exercised, liquid assets received as part of the capital increase will be posted directly in equity.

The debt element is recognised at amortised cost, as recommended by IAS 39.

The carrying value of the liability component is included in the line "OBSAAR Bonds" (Note 3.10).

### **1.19 Hybrid Capital**

The structure of the Hybrid Capital ensures that it is recognised as a component of equity in accordance with IAS 32. For this reason, the tax-deductible interest payments are not included in interest expense, but accounted for in the same way as dividend obligations to shareholders. The distribution and the cost of issue are booked before tax in the equity.

In the case where the Group pays the fixed coupon to the owners of the Hybrid Capital, the payment of the coupon (classified as a dividend distribution in equity) is payable annually in January at the anniversary date of the issuing.

### **1.20 Current and deferred income taxes**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided for, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the Balance Sheet date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions for pensions and tax losses carried forward. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

### **1.21 Trade accounts payable**

Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **1.22 Amounts due for business acquisitions**

Amounts due for business acquisitions are mainly comprised of:

- amounts due to former shareholders of acquired companies for the likely estimated amount based on the likely achievement of objectives targeted in the acquisition agreement (in general based for the major part on the operating profit);
- the liability of the "put and call options" (part related to the transaction with non-controlling interests) at initial acquisition time.

Amounts due for business acquisitions are also accounted for at the fair value of the expected cash flow. The variation of the liability related to the decreasing time value is accounted for in the Income Statement as a financial expense.

All re-estimations of the amounts due for business acquisition after the initial period of twelve months of allocation of the purchase price are booked in the Income Statement (except for the put option on non-controlling interests contracted before IFRS3R accounted for as "goodwill in progress").

All or part of the acquisition price of acquired laboratories may be paid in Eurofins shares (new or existing shares):

- In the case where the acquisition contract stipulates a fixed amount payable in Eurofins shares (number to be calculated at the moment of payment), the amount due is accounted for in "Amounts due for business acquisitions".
- In the case where the acquisition contract stipulates a fixed number of Eurofins shares, the amount due is accounted for in "retained earnings".

### 1.23 Revenue recognition

Eurofins provides analytical solutions and the most comprehensive range of testing methods to clients from a wide range of industries including the pharmaceutical, food and environmental sectors.

Revenue comprises the fair value of the consideration received or receivable for the sale of services and goods in the ordinary course of the Group's activities.

As a service provider Eurofins has to apply the revenue recognition rules for rendering of services (IAS 18 §20-28). With respect to revenue arising from the rendering of services, the accounting for those revenues depends on whether the outcome of a transaction can be estimated reliably or not:

- If the outcome of a transaction involving the rendering of services can be measured reliably, the revenue associated with the transaction will be recognised by reference to the stage of completion (percentage of completion method). Therefore the revenue for all transactions which can be estimated on a reliable basis corresponds to the revenue agreed in the contract, multiplied by the stage of completion of the work performed (i.e. recognising the margin based on the percentage of work completed).
- If the outcome of a transaction involving the rendering of services can not be measured reliably, revenue will be recognised only to the extent of the incurred expenses (completed contract method) as long as they are recoverable.

Expected losses are recognised when it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense immediately.

Due to the continuous improvement of processes and systems the outcome for an increasing number of transactions can be measured on a reliable basis. Therefore for more and more new transactions the percentage of completion method is used to determine the revenue at the end of each reporting period.

The stage of completion of an analysis is determined by the services performed to date as a percentage of the total analysis to be performed.

### 1.24 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all such options into shares which are in the money at the current share price. The Company has the following categories of dilutive potential for ordinary shares: stock options, BSAAR and partial and optional acquisition price payments in Eurofins shares.

The net profit attributable to shareholders of the Group is obtained by deducting from the net profit the part that is directly attributable to the hybrid capital investors.

### 1.25 Significant accounting judgements and estimates

#### Judgements:

In the process of applying the Group's accounting policies described above, management has made the following judgements that have significant effects on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt with in the following paragraphs).

#### *Provision for other liabilities and charges*

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas (e.g. termination payment to employees upon leaving the Group, environmental and legal and warranty claims on services rendered), it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

#### Use of estimates:

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors, including the prevailing economic environment. Actual amounts may differ from those obtained through the use of these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Estimated impairment of goodwill*

The Group tests annually if goodwill have suffered any impairment (Note 1.9). The recoverable amounts of cash-generating units are determined based on the upper of value-in-use and fair value less costs to sell calculations.

#### *Variable acquisition price calculation*

The Group reviews frequently the variable acquisition price calculations. The formulas are based on current and/or future profitability of the acquired companies. Thereafter, these amounts are re-estimated each year (Note 1.3).

#### *Valuation of intangible assets acquired in a business combination*

The Group estimates for each acquisition the value of the potential intangible asset related to an acquisition (e.g. customer relationships, brand names) (Note 1.5).

#### *Valuation of fixed assets acquired in a business combination*

The Group estimates for each acquisition the value of the fixed assets related to an acquisition and particularly on lands and buildings (Note 1.3).

#### *Revenue recognition*

To estimate if the Group can use the percentage of completion method to measure the outcome of its services, the Group reviews annually the improvement of both operational and financial processes and systems (Note 1.23).

#### *Deferred tax assets recognition*

The Group reviews deferred tax assets on an annual basis, and recognises deferred tax assets for temporary differences and tax loss carryforwards to the extent that it deems probable that future taxable profit will be generated against which these can be utilized. Judgment is required by management in estimating the probability, timing and amount of future taxable profit (Note 1.20).

#### *Income taxes*

The Group operates in 36 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Where the effects of laws and regulations are unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgements to be reasonable; however, this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements (Note 1.20).

#### *Pension benefits*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any change in these assumptions will impact carrying amount of pension obligations (Note 1.16).

### **1.26 Segment reporting**

The reportable segments are identified in accordance with IFRS 8. A business segment is a Group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments. Reportable segments are based on geographical areas.

The Group is very decentralised with a large number of small and medium size companies in many countries. The financial performance of the Group is reviewed at the level of individual legal entities or even within these companies at the level of the Business Units ("BU") by the Chief Operating Decision Maker ("CODM") or its representatives with the input of the BU leaders. Aggregates are done on different levels and directions. They may vary depending on changes in management, organisation or leadership.

The CODM is reviewing several sets of financial information, based mainly on products and services, leaders in charge and on the Group's geographical areas. The rapid evolving nature of the Group also results in a constant adaptation of the matrix of its organisation.

Within Eurofins, the nature of services, the nature of the production processes, the type or class of customers for its products and services; the methods used to provide its services; and the nature of the regulatory environment have highly similar economic characteristics. For example, similar long-term average gross margins are expected for all our businesses.

The Chief Operating Decision Maker allocates resources and assesses performance of the Group's operating segments.

The Chief Operating Decision Maker has made a determination that the provision of financial information by geographical areas is more meaningful to the readers of the consolidated financial statements because it believes that the regions where the Group operates should be the main business performance differentiator going forward.

### **1.27 Foreign currencies**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Income statements of foreign entities are translated into Euro at average exchange rates for the year and the balance sheets are translated at year end exchange rates ruling on the December 31.

Currency translation differences arising from the retranslation of the net investment in foreign subsidiaries are booked into "currency translation differences" in shareholders' equity, net of tax if applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions in Group companies are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Income Statement.

### **1.28 Income Statement presentation**

Eurofins is providing in the Income Statement certain non-IFRS information ("Adjusted Results and Separately Disclosed Items" columns) that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. See also Note 1.29 Separately Disclosed Items.

In addition, Eurofins shows EBITDA and EBITAS as defined in the notes to the Income Statement with the objective to be close and consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector.

Management believes that providing this information enhances investors' understanding of the Group's core operating results and future prospects, consistent with how management measures and forecasts the Group's performance, especially when comparing such results to previous periods or forecasts and to the performance of our competitors.

This enables Eurofins to demonstrate the underlying profitability of the business – i.e. what the performance would be if these investments were not undertaken. In the interest of full transparency, Eurofins discloses both the adjusted results (i.e. without the separately disclosed items) and full reported results (i.e. including the separately disclosed items).

This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS.

### 1.29 Separately disclosed items

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately in the Income Statement.

Separately disclosed items include:

- One-off costs from integrations, reorganisations and discontinued operations;
- Other non-recurring income and costs for all Group companies;
- Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring;
- Non-cash accounting charges for stock options;
- Impairment of goodwill, amortisation of acquired intangible assets, negative goodwill;
- Income from reversal of such costs and from unused amounts due for business acquisitions;
- Transaction costs related to acquisitions;
- And all the related tax effects of the items listed above.

Reorganisation costs, such as reducing overhead and consolidating facilities, are included in the Separately Disclosed Items as Management believes that these effects are not indicative of our normal operating income and expenses.

Certain gains/losses are also disclosed separately, as they are either isolated or cannot be expected to occur again with any regularity or predictability and as Management believes are not indicative of our normal operating gains and losses. These include for example, gains or losses from items such as the sale of a business or real estate, gains or losses on significant litigation-related matters and discontinued operations.

Start-ups or acquisitions in significant restructuring are new companies or business activities established to develop an existing business model, transfer technology or a specific strategy. They are generally greenfield operations, or, in certain cases, newly-acquired businesses bought to achieve a target market share in a given geography that are not operating optimally, but that have the potential to operate efficiently and profitably once restructured or reorganised to the Eurofins model. However the reorganisation measures required are so large that they have a significant negative impact on the ongoing business of the Company. Start-ups are generally undertaken in new markets, and in particular emerging markets, where there are often limited viable options for acquisitions or in developed markets when Eurofins transfers technology developed by its R&D and Competence Centers abroad.

Given that the costs or operating losses incurred in the start-up or restructuring phase are temporary and should cease within a 3-5 year period on average, it is management's view that they should be disclosed separately. Whilst the timeframe for these temporary costs or losses is finite, and should cease gradually, the businesses should continue to generate revenues for the Group indefinitely, and these are therefore not considered temporary.

Start-up activities go through various stages of development before reaching optimal efficiency levels, and can take several years to become profitable. The development process includes the creation or construction of the laboratory, hiring the appropriate staff, obtaining relevant accreditations, deployment of the IT infrastructure and dedicated IT solutions, developing the sales and marketing channels, and building up volumes and the revenue base.

In general, start-up periods last for 2 to 3 years in mature markets and 2 to 5 years in emerging markets.

A business will generally no longer be considered as a start-up or an acquisition in significant restructuring when:

- The Group's systems, structure and processes have been deployed;
- It has been audited, accredited and qualified and used by the relevant regulatory bodies and the targeted client base;
- It no longer requires above-average annual capital expenditures, exceptional restructuring or abnormally large costs with respect to their current revenues for deploying new Group IT systems (Note 2.3).

The list of entities classified as start-ups or acquisitions in significant restructuring is reviewed at the beginning of the year and is relevant for the whole year.

Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring are included in the Separately Disclosed Items as these are investments in future growth prospects and distort the judgement of the underlying performance of the mature businesses of the Group.

Separately disclosed items also include non-cash accounting charges for stock options, impairment of goodwill, and amortisation of acquired intangible assets, recording of negative goodwill as well as income from reversal of such costs and from unused amounts due for business acquisitions as all these transactions are without cash impact in the consolidated financial statements. Furthermore the amortisation of acquired intangible assets is included because a significant portion of the purchase price for acquisitions may be allocated to intangible assets.

All transaction costs related to acquisitions during the year are disclosed separately. There are a number of different professionals that may assist throughout the process of planning, negotiating, due diligence, and closing of the transaction. Examples include intermediaries (investment bankers or business brokers), legal professionals (lawyers) and accounting professionals. These costs are specific and directly related to the transaction and are usually paid at or around the closing of the relevant transaction. These costs are disclosed separately also due to the fact that if the Group would stop the external growth, i.e. the acquisitions, and would only focus on internal growth, all these costs would disappear instantly and the EBIT would increase mechanically. Furthermore, these costs do not correspond to Eurofins' business of providing analytical solutions to our customers.

Management believes that the separate disclosure of these items enhances investors' understanding of the Group's core operating results and future prospects and allows better comparisons of operating results which are consistent over time and with peer companies.

### 1.30 Assets classified as held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing of use.

The assets are available for immediate sale. The appropriate level of management is committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan as initiated. The asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.

### **1.31 Fair value measurement of land and buildings and assets classified as held for sale**

For purchase price allocation or in case of changes in circumstances indicating a potential impairment, the fair value measurement of the land and buildings is performed by independent advisors, according to Level 2 methodology. Fair value of land and buildings is derived using the sales comparison approach. The most significant input into this valuation approach is the price per square meter.

### **1.32 Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes and movements on the hedging reserve in other comprehensive income are disclosed in Note 4.5. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

#### Cash flow hedge:

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within "Finance costs".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'Finance costs'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

#### Net investment hedge:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

## 2. Notes to the Income Statement

### 2.1 Operating costs, net

EUR Thousands	2014	2013
Cost of purchased materials and services	493,424	437,523
Personnel expenses	674,305	590,083
Other operating income and expenses, net	12,488	8,876
<b>Total</b>	<b>1,180,217</b>	<b>1,036,482</b>

### 2.2 Full Time Equivalent and total Headcount

Weighted average Full Time Equivalent (FTE)*	2014	2013
Benelux	1,445	1,163
France	2,450	2,431
Germany	2,574	2,263
North America	3,168	2,600
Nordic countries	1,174	1,146
UK and Ireland	884	692
Other	3,160	2,638
<b>Total FTE</b>	<b>14,855</b>	<b>12,933</b>

By the end of the year, the total headcount within the Group reached 17,144 employees (14,765 in 2013).

### 2.3 Separately disclosed items

EUR Thousands	2014	2013
One-off costs from integration, reorganisation, discontinued operations, and other non-recurring income and costs	20,796	15,665
Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring	9,624	14,526
<b>EBITDA impact</b>	<b>30,420</b>	<b>30,191</b>
Depreciation costs specific to start-ups and new acquisitions undergoing significant restructuring	10,737	9,500
<b>EBITAS impact</b>	<b>41,157</b>	<b>39,691</b>
Non-cash stock option charge and acquisition-related expenses	16,889	9,977
Tax effect from the adjustment of all separately disclosed items	-8,930	-4,879
Non-controlling interests of separately disclosed items	-25	-210
<b>Total impact on Net Profit</b>	<b>49,091</b>	<b>44,579</b>

For 2013, the one-off costs from integration, reorganisation, discontinued operations, and other non-recurring costs consists mainly of several site rationalization projects that involve consolidating several small sites into fewer but larger industrialized sites, or simply moving some businesses into our large campuses, either to streamline and optimize efficiencies or maximize synergies across businesses:

- In France with large but low-volume departments of several small water-testing laboratories consolidated into one of the two new large, industrialized sites in Maxéville and Vergèze;
- In Denmark, preparation of the combination of 5 small and mid-sized laboratories into a large site in Vejlen;
- In the Benelux region, consolidation of several small laboratories into 2 recently-extended sites in Belgium and in The Netherlands;
- Streamlining of 3 small laboratories in the south of Germany;

- In the US, moving of our southern US food testing hub into a new site with double the capacity at the University of New Orleans campus in Louisiana, US;
- Further consolidation of smaller sites in large industrial platforms (Japan and Australia).

For 2014, the one-off costs from integration, reorganisation, discontinued operations, and other non-recurring costs mainly consists of several site rationalization projects that involve consolidating several small sites into fewer but larger more efficient sites, or simply moving some businesses into our large campuses, either to streamline and optimize efficiencies or maximize synergies across businesses:

- IPL in France with the finalisation of the streamlining of some water testing sites, employee litigation costs and penalties upon termination of non-profitable contracts;
- In Denmark, the five laboratories have been consolidated into one large, modern single site in Vejlen;
- Central Laboratory reorganisation carried out with moving to our major lab campus in Lancaster (US), rationalisation of the sites in Asia (including shut down of a small site in India), streamlining of the activity in Europe;
- Discovery Services: shut down of the facility in China, merger of the two labs in Seattle (US), project to move to a smaller new site in Oxford (UK);
- Further consolidation of smaller sites in large industrial platforms (Italy, US, Australia and New Zealand).

The first three (IPL, Central lab and Denmark) have been completed in 2014.

For 2014, the start-ups and the new acquisitions in significant restructuring generate operating losses of EUR -9,624K at EBITDA level and EUR -20,361K at EBITAS level. The temporary losses related to start ups mainly consists of the launch of several new modern food testing laboratories in the US. During 2014 the reorganisation of IPL and the move of our US Central Laboratory Services to Lancaster have continued to generate operating losses.

### 2.4 Non-cash accounting charge for stock options and acquisition-related expenses, net

EUR Thousands	2014	2013
Non-cash accounting charge for stock options	4,756	3,975
Loss/(Gain) on disposal	-77	5
Negative goodwill	-	85
Amortisation of acquired intangible assets	10,737	6,647
Transactions costs related to acquisitions	2,732	2,233
Exceptional vendor repayment	-1,128	-
Unused amounts due for business acquisitions	-132	-2,968
<b>Acquisition-related expenses, net</b>	<b>12,132</b>	<b>6,002</b>
<b>Total</b>	<b>16,889</b>	<b>9,977</b>

#### Non-cash accounting charge for stock options

Stock options are granted to selected managers and employees. The exercise price of the granted options is approximately equal to the market price on the date of the grant. Options are conditional on the employee completing the vesting period (4 to 5 years). The options are exercisable after the vesting period and have a contractual option term of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The fair value of options granted during the period is determined using the Black-Scholes valuation model. An annual risk-free interest

rate of 3.3% was used for the 2014 plans (2013: 3.3%). The volatility measured is based on statistical analysis of daily share prices over the last three years. For 2014, the volatility amounts to 31.5% (2013: 31.3%).

Plan	Number of stock options initially granted	Average expected exercise option period (Years)	Average subscription price (EUR)	Weighted average fair value of options (EUR)
01/02/2005	26,650	4.5	18.77	5.78
01/02/2005	78,400	4	18.77	5.41
01/02/2005	39,500	7.5	18.77	7.69
29/08/2005	68,500	6	27.80	11.46
10/01/2006	6,000	4.5	37.97	13.45
18/09/2006	174,807	4.5	50.00	16.7
20/07/2007	150,330	4.5	66.00	23.37
17/07/2008	84,475	5.5	51.87	22.62
17/07/2008	84,475	6	51.87	23.66
18/12/2008	17,005	5.5	31.62	14
18/12/2008	17,005	6	31.62	14.65
05/01/2009	58,350	5	32.60	12.92
05/01/2009	58,350	6	32.60	14.18
10/11/2009	76,700	5	31.88	13.29
10/11/2009	76,700	6	31.88	14.54
31/08/2010	82,200	5	36.62	14.51
31/08/2010	82,200	6	36.62	15.9
05/10/2010	6,225	5	37.06	14.68
05/10/2010	6,225	6	37.06	16.09
23/02/2011	44,875	5	50.13	20.24
23/02/2011	44,875	6	50.13	22.2
10/10/2011	79,175	5	57.83	23.83
10/10/2011	79,175	6	57.83	26.1
02/03/2012	23,125	5	65.60	24.94
02/03/2012	23,125	6	65.60	27.37
19/12/2012	95,738	5	120.10	41.4
19/12/2012	95,737	6	120.10	45.48
01/10/2013	69,533	5	182.29	61.12
01/10/2013	69,532	6	182.29	67.4
23/10/2014	60,475	5	188.28	60.71
23/10/2014	60,475	6	188.28	67.05

The movements in the number of share options are described in Note 4.7.

#### Loss on disposal

The loss on disposal in 2014 is linked to the termination of Eurofins Regulatory Services Japan KK.

## 2.5 Financial result

EUR Thousands	2014	2013
Financial income	2,232	1,112
Interest expense on borrowings	-4,780	-6,031
Interest expense on pensions	-931	-942
Bonds interests	-16,927	-7,828
Schuldschein interest	-7,940	-7,577
Net foreign exchange gain/ loss	-47	-1,155
DCF charge on amounts due for business acquisitions	-993	-595
DCF charge on bonds costs	-1,362	-442
Finance costs	-32,980	-24,570
<b>Total</b>	<b>-30,748</b>	<b>-23,458</b>

## 2.6 Income tax expense

EUR Thousands	2014	2013
Current tax	-30,206	-22,235
Deferred tax (Note 3.17)	8,005	5,065
<b>Total</b>	<b>-22,201</b>	<b>-17,170</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR Thousands	2014	2013
Result before income tax	101,332	89,063
Tax calculated at domestic rates applicable to profits in the respective countries	-38,218	-27,883
<i>Theoretical tax charge rate</i>	<i>37.7%</i>	<i>31.3%</i>
Tax impact of non-deductible expenses or expenses taxed at a reduced tax rate	-3,779	-938
Tax impact of not taxable income or income taxed at a reduced tax rate	15,293	11,601
Tax impact of shares of profit of associates	74	71
Tax impact of expenses deductible not accounted	1,709	535
Tax impact of tax losses not capitalised	-11,090	-15,869
Utilisation of previously unrecognised tax losses	11,685	14,293
Tax impact of tax losses used and lost	-	-
Remeasurement of deferred taxes	620	1,546
Adjustment in respect of prior years	1,574	-279
Minimum Income tax	-69	-159
Tax credit	-	-88
Tax charge	-22,201	-17,170
<i>Actual tax charge rate</i>	<i>21.9%</i>	<i>19.3%</i>

The movement in deferred tax assets and liabilities during the year is detailed in the Note 3.17.

The income tax paid for each period is the following:

EUR Thousands	2014	2013
Income tax paid	-32,270	-30,466

The change in theoretical tax charge rate is primarily due to the change in weighted results before income tax of the different countries in which the Group operates.

The adjustment in respect of prior years mainly relates to the application of the "horizontal tax unity" in France.

The utilisation of previously unrecognised tax losses is detailed in Note 3.17.

### 3. Notes on the Balance Sheet and Cash flow statement

#### 3.1 Property, plant and equipment

EUR Thousands	Assets in progress	Lands, buildings and leasehold improvements	Machinery and laboratory equipment	Office equipment, furniture and vehicles	Total
<b>Year 2013</b>					
Opening net book amount	6,217	83,431	100,771	18,885	209,304
Currency translation differences	-186	-4,834	-3,109	-507	-8,636
Change of scope	1	12,063	13,113	3,257	28,433
Additions	5,639	9,958	52,912	10,720	79,229
Disposals	-	-789	-339	-504	-1,631
Depreciation charge	-	-9,015	-36,921	-9,650	-55,586
Closing net book amount	11,671	90,814	126,427	22,201	251,113
Cost or valuation	11,671	164,366	422,879	79,071	677,987
Accumulated depreciation	-	-73,552	-296,452	-56,870	-426,874
Net book amount at December 31, 2013	11,671	90,814	126,427	22,201	251,113
<b>Year 2014</b>					
Opening net book amount	11,671	90,814	126,427	22,201	251,113
Currency translation differences	458	4,018	4,872	30	9,377
Change of scope	-2,427	10,393	17,215	842	26,023
Additions	13,371	28,772	36,732	26,632	105,506
Disposals	-	-3,125	-1,470	-663	-5,258
Depreciation charge	-	-13,011	-26,710	-23,294	-63,015
Closing net book amount	23,073	117,861	157,065	25,748	323,747
Cost or valuation	23,073	204,671	480,963	106,806	815,513
Accumulated depreciation	-	-86,810	-323,898	-81,058	-491,766
Net book amount at 31 December 2014	23,073	117,861	157,065	25,748	323,747

Leased machinery/equipment and building included above, where Eurofins is a lessee under finance lease are:

EUR Thousands	2014
Capitalised cost of finance leases	16,602
Accumulated depreciation	-12,411
Net book amount	4,191

#### 3.2 Intangible assets

Intangible assets EUR Thousands	Customer relationships	Brand	Software *	Other intangible assets	Total
<b>Year 2013</b>					
Opening net book amount	34,691	12,233	21,693	410	69,027
Currency translation differences	209	30	-130	-11	97
Change in consolidation scope	12,716	1,040	1,175	2	14,933
Additions	-	-	20,317	10	20,327
Disposals	-	-	-62	-	-62
Amortisation charge	-4,279	-2,368	-11,244	-50	-17,941
Closing net book amount	43,337	10,935	31,749	361	86,382
Cost	57,931	14,060	87,814	2,155	161,961
Accumulated amortisation	-14,595	-3,125	-56,065	-1,794	-75,579
Net book amount at December 31, 2013	43,337	10,935	31,749	361	86,382
<b>Year 2014</b>					
Opening net book amount	43,337	10,935	31,749	361	86,382
Currency translation differences	8,344	1,022	292	76	9,733
Change in consolidation scope	88,446	7,219	2,118	-130	97,653
Additions	-	-	28,828	190	29,018
Disposals	-	-	-237	-10	-246
Amortisation charge	-8,420	-2,319	-17,331	-937	-29,007
Closing net book amount	131,707	16,858	45,420	-450	193,534
Cost	155,584	22,457	118,068	1,549	297,659
Accumulated amortisation	-23,878	-5,599	-72,648	-2,000	-104,125
Net book amount at December 31, 2014	131,707	16,858	45,420	-450	193,534

\* Software, including software in progress

<b>Goodwill</b>	2014	2013
EUR Thousands		
Opening net book amount	456,388	402,662
Currency translation differences	33,239	-13,368
Change in consolidation scope	189,403	67,099
Impairment	-	-5
<b>Closing net book amount</b>	<b>679,030</b>	<b>456,388</b>
Cost	680,998	458,356
Impairment charge	-1,968	-1,968
<b>Net book amount</b>	<b>679,030</b>	<b>456,388</b>

The change of scope per legal entity is detailed in Note 5.1.

The change in consolidation scope (customer relationships: EUR 88,446K, brands: EUR 7,219K and goodwills: EUR 189,403K) for a total amount of EUR 285,068K corresponds to:

- New acquisitions of the period: EUR 285,748K,
- Adjustments during the 12-month window period of previous acquisitions: EUR -699K,
- Change in "goodwill in progress": EUR 19K (transaction with non-controlling interests).

The "goodwill in progress" is accounted for as an agreement to buy out the minority shareholders for cross put and call options closed prior to the first application of IFRS 3R (Note 1.3) and represents an amount of EUR 1,125K as at December 31, 2014 (EUR 1,026K as at December 31, 2013).

#### Impairment tests for goodwill

The calculation model description is provided in Note 1.9. A cash-generating unit (CGU) corresponds to the lowest level of assets or group of assets for which there are separately identifiable cash flows.

CGUs are based on the following geographical areas: Benelux, France, Germany, North America, Nordic countries, UK and Ireland, Other Countries. The following is a summary of goodwill allocation for each operating segment as of December 31, 2014:

EUR Thousand	Opening	Currency translation	Change of scope	Impairment	Closing
Benelux	64,712	-	12,398	-	77,109
France	67,348	-	2,073	-	69,421
Germany	60,570	-	2,111	-	62,681
North America	121,743	34,753	143,408	-	299,904
Nordic countries	79,929	-3,013	1,670	-	78,586
UK and Ireland	18,191	1,574	558	-	20,323
Other	43,894	-74	27,186	-	71,006
<b>Total</b>	<b>456,388</b>	<b>33,240</b>	<b>189,403</b>	<b>-</b>	<b>679,030</b>

The recoverable amount of all CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. The Group reviews the assumptions used regularly and brings them in line with the data observed on the market.

The key assumptions used for value-in-use calculations in 2014 are as follows:

	Compound annual volume growth <sup>1</sup>	Long term growth rate <sup>2</sup>	Pre-tax Discount rate	Recoverable amount of the CGU
Benelux	2.00%	2.00%	9.27%	238,322
France	3.20%	2.00%	10.49%	387,935
Germany	3.00%	2.00%	10.28%	709,501
North America	3.00%	2.00%	12.35%	594,248
Nordic countries	2.20%	1.50%	10.03%	394,329
UK and Ireland	3.00%	2.00%	10.39%	89,968
Other	3.00%	2.50%	11.65%	263,775

1 Compounded annual volume revenues growth rate in the initial five-year period

2 Weighted average growth rate used to extrapolate cash flows beyond the initial five-year period

In 2013, key assumptions used in the value-in-use calculation were only disclosed on an aggregate basis in the consolidated financial statements (Compounded annual volume growth of 4%, long term growth rate of 2%, after-tax discount rate of 8.22%, equivalent to a pre-tax of 11.26%).

Management determined as a key assumption the compounded annual volume growth rate for each CGU. The volume of sales in each period is the main driver for revenue and costs. The compounded annual volume growth rate is based on past performance and management's expectations of market development. The long term growth rates used reflect specific risks relating to the relevant operating segments.

The EBITAS margin used is between 8% and 20% of the revenues depending on geographic area for 2014, with an improvement in subsequent years. Financial information with respect to Revenues and EBITAS per CGU are not provided for confidentiality reasons because they would affect the Group's acquisition model.

In 2014, no impairment is required as these values are above the carrying value of each CGU.

#### Sensitivity analysis:

Reducing Revenues, EBITDA, EBITAS ratios by 25% for the asset's value less costs of disposal or rising the WACC rate by 1 percentage point in the value in use would not result in any impairment in goodwill, customer relationships and brands.

	Value in use/ Goodwill, net	Value in use/ Goodwill, net (with sensitivity impact)
Benelux	3.1	2.5
France	5.6	4.6
Germany	11.3	9.3
North America	2.0	1.6
Nordic countries	5.0	4.3
UK and Ireland	4.4	3.7
Other	3.7	3.0

### 3.3 Assets classified as held for sale

EUR Thousands	2014	2013
Opening net book amount	4,435	4,435
Exceptional depreciation	-1,112	-
Closing net book amount	3,323	4,435

The non-current assets held for sale is related to land in Japan owned by the company Nihon Environmental Services Co. Ltd (EUR 823K), and the building of Villebon owned through finance lease by the company Eurofins CEREP SA (EUR 2,500K). These two items were already classified as held for sale in 2013.

Due to market conditions the Group has not been able to sell these assets in 2014. However it is still Management's intention to sell them and the Group has appointed real estate agencies locally in order to actively market these assets.

An exceptional depreciation (EUR 1,112K) has been recorded in 2014 on the land in Japan to recognise the loss in value following new valuation.

### 3.4 Investments in associates

EUR Thousands	2014	2013
Opening net book amount	4,594	6,665
Currency translation differences	-64	-574
Change of scope	-1,800	-1,084
Acquisition	-	10
Disposals	-	-684
Dividends received	-86	-27
Share of profit of associates	243	288
Closing net book amount	2,887	4,594

The amount shown under change of scope for 2014 is related to the acquisition of IDmyk in December 2013. This investment has been fully consolidated as from January 1, 2014.

Main associates undertaking:	Revenues	Net profit	Total assets	Equity	% of interest
EUR Thousand					
At December 31, 2014					
Fasmac Co. Ltd. (JP)	8,185	143	6,404	4,129	41%
Eurofins Laboratoire Cœur de France SAEML (FR)	5,226	375	2,534	1,017	49%
Z.F.D GmbH	1,427	98	919	615	33%
At December 31, 2013					
Fasmac Co. Ltd. (JP)	8,337	542	7,037	4,060	41%
Eurofins Laboratoire Cœur de France SAEML (FR)	4,945	131	2,148	696	49%
Z.F.D GmbH	1,344	75	741	477	33%

### 3.5 Financial assets and other receivables

EUR Thousands	2014	2013
Opening net book amount	16,805	11,016
Currency translation differences	789	-444
Change of scope	2,389	1,545
Increase	1,958	5,282
Decrease	-241	-593
Revaluation through OCI of Available for sale financial assets	1,564	-
Closing net book amount	23,264	16,805

EUR Thousands	2014	2013
Available for sale financial assets	2,747	754
Lease and other deposits	17,655	15,704
Other deposits	2,862	347
Closing net book amount	23,264	16,805

Available for sale financial assets correspond mainly to Vimta Labs Limited in India for EUR 2,702K (13.81% share ownership at the end of 2014). Vimta Labs Limited is a company listed on the Bombay stock exchange (India).

### 3.6 Inventories

EUR Thousands	2014	2013
Inventories	25,694	21,107
Provision for inventories	-1,036	-966
Closing net book amount	24,623	20,141

The cost of inventories recognised as an expense during the period and included in "Operating costs, net" amounts to EUR 149,920K (2013: EUR 129,220K).

### 3.7 Trade accounts receivable

EUR Thousands	2014	2013
Trade accounts receivable – gross	275,842	228,512
Provision for impairment of receivables	-15,108	-11,034
Accrued sales	13,772	15,493
Amounts due by clients for analysis in progress	46,970	39,679
Trade accounts receivable	321,476	272,650
Advance payments received	-18,621	-14,369
Deferred revenues	-18,804	-16,764
Total Trade accounts receivable, net	284,051	241,517

The ageing of the gross trade accounts receivable as at December 31, 2014 is as follows:

EUR Thousands	2014	2013
Not overdue	177,499	150,292
Overdue for less than 90 days	73,267	58,423
Overdue for more than 90 days but not more than 360 days	13,973	11,785
Overdue for more than 360 days	5,287	3,552
Individual bad debts	5,816	4,460
Total	275,842	228,512

Overdue for more than 90 days are for ca. EUR 3m related to Governmental organisations. As of December 31, 2014, trade accounts receivable, net of VAT, were impaired for an amount of EUR 15,108K.

Movements on the provision for impairment of trade accounts receivables are as follows:

EUR Thousands	2014	2013
Opening net book amount	11,034	10,425
Exchange differences	91	-177
Change of scope	875	995
Net variation	3,108	-209
Closing net book amount	15,108	11,034

The net variation is recorded in the line "Operating costs, net".

The maximum exposure to credit risk at the reporting date is the carrying value of the trade accounts receivable mentioned above. The Group does not hold any collateral as security. For more details regarding the credit risk of the Group, refer to note 4.2.

### 3.8 Prepaid expenses and other current assets

EUR Thousands	2014	2013
Prepaid expenses	15,124	10,626
Other receivables	28,501	23,727
<b>Total</b>	<b>43,625</b>	<b>34,353</b>

### 3.9 Cash and cash equivalents, bank overdrafts and net debt

EUR Thousands	2014	2013
Short term deposits with banks	73,825	181,624
Cash in hand	142,795	115,633
Cash & cash equivalents	216,620	297,257
Bank overdrafts	-1,530	-3,989
Cash and cash equivalents less bank overdrafts	215,090	293,268

The short term deposits with banks consist of money market funds as well as interest bearing accounts and deposit certificates in Euros. At the end of the year, the carrying amount reflected above is the fair value based on the market price as they are quoted on active markets.

EUR Thousands	2014	2013
Borrowings	237,213	212,113
Bonds	473,019	471,990
Cash and cash equivalents	-216,620	-297,257
<b>Net debt</b>	<b>493,612</b>	<b>386,846</b>

### 3.10 Borrowings

EUR Thousands	2014	2013
<b>Variation of borrowings</b>		
At beginning of year	680,114	423,055
Currency translation differences	12,822	-2,982
Change of scope	346	17,988
Increase of borrowings	41,277	325,261
Repayment of borrowings	-27,220	-83,651
Amortisation of bond costs	1,364	442
At end of year	708,702	680,114
Bank overdrafts	1,530	3,989
<b>Total Borrowings</b>	<b>710,232</b>	<b>684,103</b>

EUR Thousands	2014	2013
<b>Analysis of current borrowings</b>		
Bank borrowings	10,072	9,084
Bonds	57,730	-
Bank overdrafts	1,530	3,989
Lease liabilities	2,846	4,155
<b>Total current borrowings</b>	<b>72,178</b>	<b>17,228</b>

EUR Thousands	2014	2013
<b>Analysis of non-current borrowings</b>		
Bank borrowings	215,357	183,713
Bonds	415,289	471,990
Lease liabilities	7,408	11,172
<b>Total non-current borrowings</b>	<b>638,054</b>	<b>666,875</b>
<b>Total borrowings</b>	<b>710,232</b>	<b>684,103</b>

The repayment periods of the current borrowings are as follows:

EUR Thousands	Total	Up to 3 months	3-6 months	Over 6 months
Lease liabilities	2,846	711	1,423	711
Bank borrowings	10,072	2,518	5,036	2,518
Bonds	57,730	-	57,730	-
Bank overdrafts	1,530	1,530	-	-
<b>Total current borrowings</b>	<b>72,178</b>	<b>4,759</b>	<b>64,190</b>	<b>3,229</b>

In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2014.

### “Schuldschein” promissory note

At the end of July 2011 Eurofins concluded a EUR 170m Schuldschein loan (“Certificate of Indebtedness”). The loan is paid back in full at maturity of 5 and 7 years, with interest rates based on Euribor 6 months (variables tranches) or mid-swap 5 and 7 year rates plus a margin of 1.80% or 2.20% p.a., respectively.

### OBSAAR 2010

In June 2010, the Company issued OBSAAR bonds (French acronym for “*Obligations à bons de souscription et/ou d’acquisition d’actions remboursables*”) for a nominal amount of EUR 176m (excluding the bank commissions) which have been allocated to the debt component for EUR 175.5m and equity for EUR 0.5m.

The conditions of this issue are detailed in a prospectus approved by the French financial markets authority (AMF) on 28 May 2010 under visa 10-155.

This operation corresponds to two instruments conjointly issued but totally independent.

The two instruments are listed on Euronext Paris with two different ISIN codes:

- The bonds have been listed on Euronext Paris from June 29, 2010 under ISIN FR0010891770;
- The BSAAR have been listed on Euronext Paris from the 30 June 2012 under ISIN FR0010891796.

The OBSAAR bonds component is not convertible into shares. The principal characteristics are as follows:

- 295,990 Bonds, in denominations of EUR 594.60 each;
- Interest rate: Euribor 3 months + 1.75% p.a. payable on a quarterly basis;
- Redemption: in three equal tranches on June 29, 2015, June 29, 2016 and June 29, 2017;
- 1 warrant (BSAAR) is attached to each bond (Obligation), ie. a total of 295,990 warrants, 2 warrants giving the right to subscribe or purchase 1 new or existing Eurofins Scientific S.E. share at a price of EUR40 per share. Exercise of the warrants will therefore potentially lead to the issue of a maximum of 147,995 shares, ie. a maximum dilution of 1.04% of the existing number of outstanding shares at the time of the OBSAAR issue.

### Euro Bond

In November 2013, Eurofins has issued an inaugural senior unsecured Euro bond for a nominal value of EUR 300m. The bonds have a five-year maturity, and pay an annual interest rate of 3.125%. The bonds are listed on the Luxembourg Stock Exchange under ISIN XS0996772876.

The quoted value is equal to EUR 316.1m as at December 31, 2014.

### 3.11 Interest due on borrowings and earnings due on hybrid capital

EUR Thousands	2014	2013
Interest due on borrowings	4,615	4,515
Earnings due on 2013 hybrid capital	9,608	9,608
Earnings due on 2014 hybrid capital received at issuance time (Feb - Jun 2014)	4,832	-
Earnings due on 2014 hybrid capital (Jul - Dec 2014)	4,777	-
Interest due on hybrid capital	19,217	9,608
Total	23,832	14,123

### 3.12 Hybrid capital

EUR Thousands	2014	2013
At beginning of year	150,000	150,000
Proceeds from Hybrid capital	150,000	150,000
Repayment of Hybrid capital	-	-150,000
At end of year	300,000	150,000

The impact of the hybrid capital in the Cash Flow Statement is as follows:

EUR Thousands	2014	2013
Issuance costs	-830	-1,934
Redemption costs	-	-7,180
Proceeds from Hybrid capital	150,000	150,000
Repayment of Hybrid capital	-	-150,000
Hybrid premium issue in July 2014	14,146	-
Change in hybrid capital	163,316	-9,114

EUR Thousands	2,014	2,013
2007 hybrid dividends	-	9,664
Hybrid commission	-	2
2013 hybrid dividends	10,500	-
2014 hybrid dividends (Feb-Jun 2014)	-4,833	-
Earnings paid to hybrid capital investors	5,667	9,666

In May 2007, the Company issued subordinated hybrid capital for a par value of EUR 100m. The instrument used to bear a fixed coupon of 8.081% for the first seven years corresponding to a spread of 370 basis points over the 7 year mid-swap rate. The instrument used to have a perpetual maturity but was callable at par by Eurofins in May 2014. The instrument was listed on the Stuttgart Freiverkehr (unregulated) market (initially Frankfurt).

In February 2011, the Company has extended its subordinated hybrid capital originally issued in May 2007 to EUR 150m to optimize its balance sheet and allow it to respond swiftly to any potential compelling acquisition opportunities. The instrument used to bear a fixed coupon of 8.081% and was callable at par by Eurofins in May 2014.

In January 2013, Eurofins issued a new EUR 150m hybrid capital to refinance its existing EUR 150m hybrid capital. Eurofins has also re-purchased the existing hybrid instrument (ISIN FR0010474627) for a nominal amount of EUR 150m.

In July 2014, Eurofins extended the size of its existing hybrid instrument originally issued in January 2013, bringing the overall size of Eurofins' Hybrid capital up to EUR 300m. In cash terms, the transaction raised EUR 169m (EUR 164.2m in gross proceeds plus EUR 4.8m on accrued coupon).

A EUR 10.5m distribution on hybrid capital has been paid in January 2014.

The structure of the new hybrid instrument issued in 2013 and 2014 is similar to the previous hybrid instrument, with a perpetual maturity, but callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years, payable annually in January if not deferred.

The impact of the distribution dividends on the equity is as follows:

EUR Thousands	2014	2013
2007 hybrid dividends	-	9,664
Hybrid commission	-	2
2013 hybrid dividends	10,500	9,608
2014 hybrid dividends (Jul-Dec 2014)	4,775	-
Total distribution on hybrid capital	15,275	19,274

The impact of the net profit attributable to hybrid capital investors used for the calculation of the earnings per share is as follows:

EUR Thousands	2014	2013
2007 hybrid dividends	-	2,259
2013 hybrid dividends	10,500	9,608
2014 hybrid dividends	4,775	-
Redemption costs	-	7,180
Hybrid premium issue in July 2014	-14,146	-
Total net profit hybrid capital investors	1,129	19,047

### 3.13 Trade accounts payable and other current liabilities

EUR Thousands	2014	2013
Trade accounts payable	90,707	74,497
Trade accruals payable	36,434	26,454
Total Trade accounts payable	127,141	100,951

Tax and social security payables	30,744	46,417
Tax and social security accruals	108,181	73,243
Other payables	13,176	13,911
Other operating current liabilities	152,101	133,571

### 3.14 Amounts due for business acquisitions

Amounts due for business acquisitions comprise conditional clauses in the price payable to former shareholders of purchased companies at the estimated amount due.

EUR Thousands	2014	2013
At beginning of year	26,820	23,821
Currency translation differences	168	-387
Change of scope	16,459	5,758
Reversal of amounts due for business acquisitions not paid	-132	-2,967
Interest on amounts due for business acquisitions (Note 2.5)	993	594
At end of year	44,308	26,820
Current	19,073	9,892
Non-current	25,235	16,928
Total	44,308	26,820

The change of scope corresponds to:

EUR Thousands	2014	2013
Payments	-3,413	-8,838
New acquisitions	20,888	15,691
Re-evaluation goodwill 12 months period	98	-1,076
Re-evaluation goodwill in progress	-1,114	-19
Change of the year	19,872	14,596
Change of scope	16,459	5,758

The discount rate used in 2014 is 3.30% (3.34% in 2013).

The periods in which the non-current Amounts due for business acquisitions will be paid are as follows:

EUR Thousands	2014	2013
Between 1 and 5 years	24,988	16,590
Over 5 years	246	338
Total non-current	25,235	16,928

Within the amounts due for business acquisitions, the Group has contingent arrangements in relation with twenty-eight acquisitions (including put & call options).

The assumptions used are based on the business plans provided at acquisition time and reviewed during the first 12 months in case of significant changes, then reviewed every year based on actual performance for multi-year arrangements to re-assess deferred considerations to be paid. This is a level 3 fair value measurement.

More detailed price conditions are disclosed below. The companies acquired have already been fully consolidated and the liabilities related to the deferred consideration (including put and call options) are already included in the line "Amounts due for business acquisitions".

EUR Thousands	2014	2013
Transactions with previous shareholders	37,252	19,609
Transactions with NCI - Fixed price	4,782	4,796
Transactions with NCI - Variable price	2,977	2,932
Put and Call prior to the first application of IFRS 3R	1,125	1,026
Discount effects	-1,829	-1,543
Total	44,308	26,820

The potential undiscounted amounts of all future payments that the Group could be required to make under these arrangements are estimated between EUR 35m and EUR 46m, depending on changes in financial performance of acquired companies.

#### (i) Transactions with previous shareholders

In July 2013, Eurofins acquired 100% of BLGG Groep BV (BLGG) in The Netherlands. The Earn-out Consideration is based on cumulative EBITDA of the Group over the period April 2013 to March 2015. The fair value of the contingent consideration arrangement was estimated at EUR 6m (maximum amount undiscounted). The final instalment will be paid during 2015.

In April 2014, Eurofins acquired the Discovery and Development Solutions (DDS) assets. An escrow account to secure the indemnification obligations of the sellers is due in 2015 for an amount of EUR 2.5m.

In July 2014, Eurofins acquired 100% of Analytical Technology ("Anatech") in Brazil. The Earn-out Consideration is based on the average EBITDA of the company over the period July 2014 to June 2017. The fair value of the contingent consideration arrangement was estimated at an amount superior to EUR 10m (maximum amount undiscounted). The final instalment will be paid during 2017.

The other contingent consideration arrangements are individually estimated to less than EUR 2m.

#### (ii) Transactions with non-controlling interests at a fixed price

In November 2010, Eurofins Scientific S.E. has entered into a Control and Profit Transfer Agreement with MWG-Biotech AG non-controlling shareholders, for an amount of EUR 2.2€ per share (remaining shares at the end of December 2014: 1,377,413).

Eurofins completed in March 2013 the acquisition of a 52% majority stake in GCL/Fundación Chile (GCL), the leading food testing service provider in the country. A put and call agreement has been concluded for the remaining 48% of the shares. The call option at fixed price stands at EUR 1.8m according to this agreement.

#### (iii) Transactions with non-controlling interests at a variable price

Eurofins completed in 2013 the acquisition of a 91% majority stake in Eurofins Environment Testing Australia Pty Ltd., the largest private environmental testing laboratory network in Australia. A put and call agreement has been concluded for the remaining 9% of the shares. The fair value of the option is estimated on a multiple of Average EBITDA 2016-2017, payable in 2018.

Eurofins acquired in 2013 an 81% majority stake in Agrisearch Services, and its wholly owned subsidiaries Agrisearch Analytical and Agrivet Services in Australia. A put and call agreement has been concluded for the remaining 19% of the shares. The fair value of the option is estimated based on a multiple of Average EBITAS 2016-2017, payable in 2018.

#### (iv) Transactions with non-controlling interests at a variable price with the method of the "goodwill in progress" prior to the first application of IFRS 3R

It concerns two put and call agreements for the remaining 10% of the shares for Eurofins Shanghai Holding Ltd (multiple of the Average EBITA 2014-2015 \* 10%, payable in 2016) and 7% of the shares of for INLAB GmbH Institut für Lebensmittelmikrobiologie GmbH (multiple of the Average Net Profit 2019-2020 \* 7%, payable in 2021).

### 3.15 Retirement benefit obligations

The Group operates retirement benefit obligations plans in Austria, France, Germany, The Netherlands, Norway, Italy, Japan, Sweden and Taiwan. These plans concern roughly 3,700 headcount (of which 2,200 headcount in France).

We provide hereafter a short description of the main defined benefit plans and of the risks associated, thereto:

In Sweden, it corresponds to a defined benefit plan for all employees (ITP 2). The ITP 2 plan can be funded in two different ways, either by paying premiums to Alecta Pensionsförsäkring (a mutual life insurance company) or by using a book reserve system in combination with credit insurance through PRI Pensionsgaranti. Eurofins is using the latter. The ITP 2 pension paid relates to the final

salary. The ITP 2 plan does not include any guaranteed compensation for inflation. The cost for the ITP 2 plan can vary significantly between employees depending on age and salary. The age of retirement is 65. A mechanism in the plan will limit any excessive cost for the retirement pension benefit.

In France, the "Provision pour indemnité de départ à la retraite" corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service, compensation at the retirement age (age of 63 for staff and 65 for executives) and collective agreements.

In Germany, it corresponds mainly to a defined benefit plan for the employees of CLF (Central Laboratories Friedrichsdorf) and to defined benefit plans for ex-managers of companies acquired by Eurofins (who are no longer employees of these companies). The CLF pension plan consists in a perpetual annuity mainly dependent on final salary and years of service at the age of retirement (age of 65). The CLF pensions in payment are updated taking into account inflation rate.

In the Netherlands, Eurofins is involved in the "Nationale Nederlanden" plan (NN). Eurofins pays annual contributions to NN and NN is eventually fully in charge of the final pay-out benefits to the employees leaving for retirement (age of 65). As such, when an employee gets retired, Eurofins has no cost to take in charge. The risk (and as a consequence the liability in the balance sheet) then mainly stands for active participants of the plan (and also for employees who left the company but have not retired yet). The risk corresponds to the fact that on the one hand the liability includes all salary increases to come in the future and that would retrospectively burden the accrual related to past services. On the other hand, the valuation of the asset plan (made of the yearly contributions to NN) only covers the risk at balance sheet date. The plan does not include any guaranteed compensation for the pensions in payment.

In Japan, the defined benefit plan corresponds to a lump sum payment made upon retirement (age of 60) or upon ending an employment contract with the company. The lump sum amount is dependent on different factors such as years of service and job grade per company retirement rule.

In Taiwan, the defined benefit plan corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service, compensation at the retirement age (age of 60).

In Italy it corresponds to the TFR (Trattamento di fine rapporto). It is an end-of-employment contract. This provision is provided for by a certain amount of salary set aside each month and to be paid to each employee upon termination of the employment contract. The cost for the TFR can vary significantly between employees depending on age and salary. Since the change in legislation in 2007, the TFR valuation as defined benefit obligations (DBO) has only consisted of:

- The TFR for entities of less than 50 employees
- The TFR for the employees of companies greater than 50 employees and in existence before December 2006 (this "old" TFR is revaluated every year)

Since 2007, entities of more than 50 employees have mandatorily had to contribute to external funds (whether it is the Italian Social Security or any other private fund).

In that case the TFR has been converted into a defined contribution plan.

In Norway, the Group has a defined benefit plan ("Multi-Employer Scheme") for employees who have previously been employed in the public sector (74 FTE). This plan

relates to a company acquired by Eurofins. The benefits of this funded plan are mainly dependent on earned pension entitlement, salary at the time of retirement and the size of payments from the National Insurance. The plan also covers a life insurance and disability insurance. The yearly premiums are calculated in accordance with the Insurance Activity Act §10-5 to §10-8 and the National Insurance Act §19-14. The pension scheme is included in a common arrangement with other companies and the yearly premiums are levelled between all participating companies. The arrangement ensures that the premiums paid are neutral of gender and age. The premiums to be paid by Eurofins are calculated based upon the share of the total pension entitlements of the members of the scheme. The company is not liable to the plan for other entities participating in the scheme. Any surplus of the scheme will be allocated to the participating companies and added to its pension fund. Deficits will be charged each participating company according to the share of the future obligation.

In all countries, the calculation is performed by actuary experts (except in France where the calculation is performed by Eurofins).

The movement on the pension accrual account is as follows:

EUR Thousands	2014	2013
At beginning of year	30,691	27,434
Exchange differences	-793	-534
Change of scope	1,172	3,476
Remeasurements included in OCI	4,095	-304
Annual expense	1,260	2,528
Contributions paid	-1,809	-1,909
At end of year	34,616	30,691

For 2014, the movement on the pension accrual account between present value of obligation and fair value of plan assets is as follows:

EUR Thousands	Present value of obligation	Fair value of plan asset	Total
At beginning of year	44,406	-13,715	30,691
Current service cost	2,013	-	2,013
Interest expense/(income)	1,372	-441	931
Effects of curtailments	-1,684	-	-1,684
Amounts recognised in the Income Statement	1,701	-441	1,260
<b>Remeasurements :</b>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-2,730	-2,730
(Gain)/loss from change in demographic assumptions	102	-	102
(Gain)/loss from change in financial assumptions	7,510	-	7,510
Experience (gains)/losses	-787	-	-787
Amounts recognised in the Other Comprehensive Income	6,825	-2,730	4,095
Exchange differences	-768	-25	-793
Change of scope	4,027	-2,855	1,172
<b>Contributions :</b>			
- Employers	-	-811	-811
- Plan participants	166	-166	-
<b>Benefit payments :</b>			
- From plans	-275	275	-
- From Employers	-998	-	-998
At end of year	55,084	-20,468	34,616

The amounts recognised in the balance sheet are determined as follows:

Country	Present value of funded obligations	Fair value of plan assets	Pension liability in the balance sheet
SE	10,922	N/A	10,922
FR	9,889	N/A	9,889
DE	6,866	-365	6,500
NL	14,126	-10,677	3,448
IT	3,318	N/A	3,318
JP	1,548	-833	715
NO	2,963	-2,300	662
AT	47	N/A	47
TW	5,407	-6,293	-885
<b>Total</b>	<b>55,085</b>	<b>-20,469</b>	<b>34,616</b>

The amounts recognised in the Income Statement are determined as follows:

EUR Thousands	2014	2013
Current service cost	1,952	2,542
Interest cost	1,372	1,258
Expected return on plan assets	-441	-316
Effects of curtailments	-1,684	-972
Additional charges	61	16
<b>Total</b>	<b>1,260</b>	<b>2,528</b>

The total pension costs for the year 2014 amount to EUR 17m, of which EUR 1.3m for defined benefit plans and EUR 15.7m for defined contribution plans.

The amount of contributions to defined contribution plans paid to members of the Board of Directors corresponds to EUR 20k.

Out of the total yearly amount recognised in the Income Statement for defined benefit plans, an amount of EUR 2,013K has been recognised in "Personnel expenses", EUR 931K in the "Financial result" and EUR -1,684K in "Operating costs, net".

The main actuarial assumptions used depend on the countries and are as follows:

Assumptions	Discount rate	Salary increase rate (including inflation)	Pension increase rate	Inflation
FR	1.75%	3.00%	N/A	2.00%
NL	1.75%	4.00%	N/A	2.00%
DE	1.75%	3.80%	1.80%	1.80%
SE	3.75%	3.00%	3.00%	2.00%
NO	3.00%	3.25%	3.00%	2.23%
TW	2.00%	2.00%	N/A	1.50%
JP	0.48%	N/A	N/A	N/A
IT	1.75%	3.50%	2.81%	1.75%

Assumptions regarding future mortality rates are set based on actuarial data, published statistics and experience in each country.

The sensitivity of the defined benefit obligation to changes in the main assumptions is as follows:

Sensitivity tests	Discount rate	Salary growth rate (incl. inflation)	Pension growth rate (incl. inflation)
Change in assumption Current Net Liability Amount	+/- 0.5%	+/- 0.5%	+/- 0.5%
Increase of rate in assumption	55,085	55,085	55,085
Decrease of rate in assumption	-4,127	2,118	2,004
	4,360	-2,169	-1,325

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the balance sheet.

Plan assets are detailed as follows:

EUR Thousands	Quoted	Unquoted	Total	%
Equity instruments	499	-	499	2%
Governmental bonds	1,255	-	1,255	6%
Corporate bonds	-	-	-	0%
Property	254	-	254	1%
Qualifying insurance	-	365	365	2%
Cash & Cash equivalents	-	6,304	6,304	31%
Investment funds	682	-	682	3%
Others*	-	11,110	11,110	54%
<b>Total</b>	<b>2,689</b>	<b>17,779</b>	<b>20,469</b>	<b>100%</b>

\* Value based on the Vested Benefit Obligation method in the Netherlands for an amount of EUR 10,677k

The expected maturity analysis of undiscounted pension benefits is as follows:

EUR Thousands	Expected undiscounted benefit payments to employees
2015	1,055
2016	1,297
2017	1,287
2018	1,366
2019	1,305
2020 & afterwards	51,946
<b>Total</b>	<b>58,256</b>

The expected employer contributions for 2015 amount to EUR 1,071K.

### 3.16 Provisions for other liabilities and charges

EUR Thousands	Focusing resources	Charges	Total
At January 1, 2013	9,279	7,397	16,676
Currency translation differences	-203	-88	-291
Change of scope/Reclassification	543	89	632
Additional provisions	4,075	2,204	6,279
Utilised during year	-4,847	-1,729	-6,576
Unused amounts reversed	-155	-699	-854
At December 31, 2013	8,692	7,174	15,866

EUR Thousands	Focusing resources	Other Charges	Total
At January 1, 2014	8,692	7,174	15,866
Currency translation differences	132	157	289
Change of scope/Reclassification	660	94	754
Additional provisions	3,534	1,988	5,522
Utilised during year	-4,978	-2,473	-7,451
Unused amounts reversed	-395	-1,403	-1,798
At December 31, 2014	7,645	5,537	13,182

Focusing resources provisions are related to reorganisations in progress. Other charges provisions are mainly related to litigations.

The provision for reorganisations in progress concerns mainly:

- Eurofins Steins Laboratorium in Denmark (related to the end of the closing of 5 small and mid-sized laboratories into a large site in Vejen);
- Reorganisation of other sites in Vienna (AT), Torino (IT) and Oxford (UK);
- Building rent costs unused of sites in Kalamazoo (US), Reichenwalde (DE), Brisbane (AU), Oosterhout (NL) and Plaisir (FR).

The variation of provisions for other liabilities is included in the separately disclosed items (Note 2.3).

The periods in which the provision for other liabilities and charges could be paid are:

EUR Thousands	2014	2013
Up to one year	8,279	10,881
1 to 5 years	3,892	4,078
Over 5 years	1,011	907
Total	13,182	15,866

### 3.17 Deferred income taxes

The movement on the deferred income tax account is as follows:

EUR Thousands	2014	2013
At beginning of year	3,792	731
Exchange differences	-2,966	-224
Change of scope	-27,189	-2,300
Deferred taxes on Retirement benefit obligations (change in OCI)	1,454	-180
Deferred taxes on net investments (change in OCI)	963	700
Income statement/ charge or income (Note 2.6)	8,005	5,065
At end of year	-15,941	3,792

The deferred tax liabilities (change of scope) are mainly related to the deferred taxes on intangible assets recognised on the purchase price allocation of ViraCor-IBT (Note 3.19).

The amounts of deferred taxes are shown in the consolidated balance sheet as follows:

EUR Thousands	2014	2013
Deferred tax assets	26,333	32,757
Deferred tax liabilities	-42,274	-28,965
Total	-15,941	3,792

Deferred income tax assets are recognised for tax loss carry-forwards only to the extent that realisation of the related tax benefit is probable. More deferred income tax assets are recognised in 2014 as certain companies become more profitable.

The Group owns tax losses of over EUR 295 million, excluding MWG Group, to carry forward against future taxable income and which have not been recognised as tax assets due to uncertainty of their recoverability. The MWG Group owns more than EUR 65 million of unrecognised tax loss carry-forwards.

The analysis of the deferred tax assets and deferred tax liabilities is as follows:

EUR millions	2014
Deferred tax assets	
To be recovered after more than 12 months	10
To be recovered within 12 months	16
Total	26
Deferred tax liabilities	
To be recovered after more than 12 months	30
To be recovered within 12 months	12
Total	42

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred tax effect in EUR millions	2013	Currency Translation Differences	Pension	Net investments	Change of scope	Net profit	2014
Intangible assets amortisation and fixed assets depreciation temporary differences liability	27.4	-3.8			-25.6	-3.0	-59.8
Land revaluation	-3.3	-0.3				-0.0	-3.6
Discounted amounts due for business acquisitions	-0.5				-0.3	0.2	-0.6
Tax losses capitalised	26.0	0.7				5.3	31.9
Pension accrual	4.6		1.5		0.2	1.2	7.4
Fixed assets depreciation temporary difference assets	3.7					1.8	5.5
Other	0.7	0.4		1.0	-1.4	2.6	3.2
<b>Total</b>	<b>3.8</b>	<b>-3.0</b>	<b>1.5</b>	<b>1.0</b>	<b>-27.2</b>	<b>8.0</b>	<b>-15.9</b>

The deferred tax assets on tax losses capitalised mainly concerns the tax unity Eurofins GeneScan (EUR 11.7m) and MWG Biotech AG (EUR 4.2m) with an expectation to be used in the next 7 years.

The Tax losses of Eurofins Genomics LLC and Eurofins MWG Operon LLC have been capitalised in 2014 as the companies have been integrated in a tax unity with a profitable entity. The deferred tax asset is expected to be used in the next 5 years.

### 3.18 Change in net working capital

The change in net working capital as shown in the cash flow statement is the following:

EUR Thousands	2014	2013
<b>Change in:</b>		
Trade accounts receivable	-48,828	-24,727
Inventories	-4,483	-6,276
Prepaid expenses and other current assets	-9,272	-3,671
Trade accounts payable	26,190	23,153
Advance payments received and deferred revenues	6,292	7,465
Other current liabilities	18,532	16,182
<b>Total changes – balance sheet</b>	<b>-11,569</b>	<b>12,126</b>
Change of scope – current assets	34,883	32,477
Change of scope – current liabilities	-11,484	-27,652
Currency translation differences	5,247	-3,178
<b>Total cash flow</b>	<b>17,077</b>	<b>13,773</b>

### 3.19 Business combinations

During 2014 the Group concluded the following new significant acquisitions (see also Note 5.1):

Eurofins completed in February the acquisition of KBBL, one of the leading food and water testing service providers in The Netherlands, from Gezondheidsdienst voor Dieren (GD), a leading company in animal health management. KBBL employs more than 100 staff and generates annual revenues in excess of EUR 7m.

Eurofins completed in March the acquisition of the food and environmental testing laboratory of Maintpartner Group, a leading supplier of industrial maintenance and operation services in the Baltic Sea region. The laboratory employs 27 staff and is located in the Kokkola Industrial Zone, providing Eurofins entry into the country's fastest-growing port. The entity generates annual revenues of about EUR 1m.

Also in March, Eurofins completed the acquisition of Omegam Laboratoria BV (Omegam), one of the leading independent laboratories in The Netherlands for environmental and water testing. With a large, modern laboratory strategically located close to Schiphol Airport, Omegam employs more than 100 staff and generates over EUR 10m in annual revenues.

Still in the same month, Eurofins completed the acquisition of HT Analytik. This company is operating in the environmental testing in Germany. HT Analytik employs around 25 staff and is generating around EUR 4m in annual revenues.

Eurofins completed in April the acquisition of the Discovery and Development Solutions (DDS) assets, business of Merck Millipore (EMD Millipore in the United States and Canada), the Life Science division of Merck KGaA, Darmstadt, Germany. DDS is a leading provider of bioanalytical testing and early stage discovery services and products to the biopharmaceutical market and generates annual revenues of about USD 35m with ca. 175 employees from its three sites in St. Charles (Missouri), Dundee (Scotland) and Oxford (England).

Eurofins completed in April the acquisition of the consumer and municipal water testing business of UL (Underwriters Laboratories) in the USA. UL's water testing laboratory is certified to perform drinking water analyses in all 50 states. The laboratory employs 70 staff and generates annual revenues of over USD 8m.

Eurofins completed also in May the acquisition of Applus Agrofood Testing, a leading independent food and agro-environmental testing provider in Spain, from Applus Servicios Tecnológicos S.L. employing around 160 staff and generating annual revenues of over EUR 10m.

Eurofins completed also in May the acquisition of Hygiene-Institut Dr. Berg GmbH. This company is operating in the environmental testing in Germany. Hygiene-Institut Dr. Berg GmbH employs around 15 staff and is generating around EUR 1m in annual revenues.

Eurofins completed in May the acquisition of Calscience Environmental Laboratories, Inc. (Calscience) in the US. Founded in 1986, Calscience is an industry leader in the environmental and marine chemistry testing field and has grown to become the largest independent full-service environmental testing laboratory on the West Coast. Generating annual revenues of over US \$20m and employing 180 staff, Calscience operates a 60,000-square foot state-of-the-art laboratory in Garden Grove, California, and service centers throughout California and Texas.

Eurofins completed in July the acquisition of ViraCor-IBT Laboratories, Inc. (VIBT) from majority owner Ampersand Capital and other shareholders for USD 255m in cash. VIBT provides Eurofins strong entry and leadership position in the specialty diagnostic testing market. VIBT is a premier esoteric reference laboratory providing biologic and large molecular biomarker support, along with molecular testing (qPCR/sequencing) to hospitals, physicians and biotech/pharmaceutical companies. VIBT is based in the Kansas City metro area with a satellite lab in Los Angeles.

Eurofins completed in July the acquisition of Analytical Technology ("Anatech"), one of the leading environmental testing service providers in Brazil. Anatech employs 155 staff and generates annual revenues in excess of BRL 30m (EUR 10m).

Eurofins has completed six small acquisitions: in July a genomics laboratory in Italy, in August a pharmaceutical laboratory in Spain and in September an environmental laboratory in Brazil, in November, a product testing laboratory in UK and also one small food laboratory located in Norway and in December, a small food laboratory in US.

All acquisitions were carried out at 100% of ownership in 2014.

As Eurofins carries out multiple acquisitions each year, Management takes the view to only provide this information with paragraph B64 of IFRS 3 on an aggregate level basis as none of these acquisitions would be relevant individually with the exception of VIBT which is separately disclosed.

The net cash outflow on acquisitions concerns both acquisitions for 2014 and previous years.

The net assets acquired contributed Eurofins consolidated revenues of EUR 106 million (of which Viracor-IBT EUR 32m) and consolidated EBITAS related to acquisitions of EUR 19 million (of which Viracor-IBT EUR 8m) in 2014. If the effective dates of these acquisitions would have been January 1, 2014, Group revenues would have been increased by an additional proforma EUR 64 million (of which Viracor-IBT EUR 31m) and EBITAS increased by EUR 11 million (of which Viracor-IBT EUR 7m).

The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise after acquisition.

The fair values of assets and liabilities acquired or disposed of were as follows:

EUR Thousands	2014	2013
Property plant and equipment	-26,023	-28,433
Assets classified as assets held for sale	-	-2,500
Intangible assets	-1,988	-1,177
Customer relationships and brands	-95,665	-13,756
Investments	1,800	1,084
Financial assets	-2,389	-1,545
Trade Accounts Receivable, net	-30,102	-24,566
Inventories	-2,871	-6,373
Other current assets	-1,910	-1,538
Corporate tax receivable	-1,319	-2,638
Cash	-10,238	-7,180
Current liabilities	11,484	27,652
Corporate taxes due	447	516
Borrowings	346	17,988
Pension accrual	1,172	3,476
Provisions for risks	754	632
Deferred income taxes	27,189	2,300
<b>Net Assets Acquired</b>	<b>-129,313</b>	<b>-36,058</b>
Goodwill	-189,403	-67,099
Negative Goodwill	-	-85
Liquidated companies	76	-
Non-controlling interests	145	2,866
Amounts due from business combinations on new acquisitions	19,872	14,596
<b>Total Purchase Price</b>	<b>-298,623</b>	<b>-85,779</b>
Less cash	10,238	7,180
Amounts due from business combinations paid	-3,413	-8,838
<b>Net Cash Outflow on Acquisitions</b>	<b>-291,798</b>	<b>-87,437</b>
Divided into:		
Cash outflow on acquisitions	-291,798	-87,437
Proceeds from disposals of a subsidiary net of cash transferred	-	-

Of which the fair values of assets and liabilities acquired from ViraCor-IBT were as follows:

EUR Thousands	2014
Property plant and equipment	-4,809
Intangible assets	-2,177
Customer relationships and brands	-69,109
Trade Accounts Receivable, net	-12,982
Inventories	-1,851
Other current assets	-854
Corporate tax receivable	-
Cash	-1,522
Current liabilities	4,107
Corporate taxes due	-
Borrowings	149
Deferred income taxes	21,973
<b>Net Assets Acquired</b>	<b>-67,076</b>
Goodwill	-123,975
<b>Total Purchase Price</b>	<b>-191,051</b>
Less cash	1,522
<b>Net Cash Outflow on Acquisitions</b>	<b>-189,529</b>

For the acquired companies, the fair value of net assets acquired was for 2014:

EUR Thousands	2014		
	Book value prior to acquisition	Fair value adjustment	Fair value on acquisition
Property plant and equipment	29,909	-3,886	26,023
Assets classified as assets held for sale	-	-	-
Intangible assets	1,988	-	1,988
Customer relationships and brands	15,586	80,079	95,665
Investments	-1,800	-	-1,800
Financial assets	2,389	-	2,389
Trade Accounts Receivable, net <sup>1</sup>	29,518	584	30,102
Inventories	5,783	-2,912	2,871
Other current assets	1,910	-	1,910
Corporate tax receivable	1,319	-	1,319
Cash	10,238	-	10,238
Current liabilities	-11,481	-3	-11,484
Corporate taxes due	-447	-	-447
Borrowings	-346	-	-346
Pension accrual	-1,172	-	-1,172
Provisions for risks	-754	-	-754
Deferred income taxes	-3,865	-23,324	-27,189
<b>Net Assets Acquired</b>	<b>78,774</b>	<b>50,539</b>	<b>129,313</b>

<sup>1</sup> The Gross amount of Trade Accounts Receivable was EUR 30,977K and the provision for bad debts EUR 875K.

The part of goodwill and assets related to acquisition that are tax deductible related to 2014 acquisitions represents an amount of EUR 42,007K.

### 3.20 Shareholders' equity

The share capital is composed of 15,204,447 shares of EUR 0.10 each. The allotted, called-up and fully paid capital is EUR 1,520K.

During 2014, the shareholders' equity has increased by EUR 6,825K due to the exercise of stock options and BSAAR by employees (131,136 new shares have been issued).

Furthermore, a dividend of 1.20 EUR per share for a total amount of EUR 18,088K has been distributed in July 2014.

### 3.21 Non-Controlling Interests

The measurement policy of the Non-controlling interests (NCI) is explained in Note 1.3.

The Non-controlling Interests (NCI) valued at the fair value at acquisition time relate to the following three companies:

- Eurofins Cerep SA for the remaining non-controlling interests of 11%. During 2014, the Group acquired an additional 0.79% of Eurofins Cerep SA shares. The valuation of the NCI is based on the take-over bid price of 2 EUR per share. This is a level 1 fair value measurement.
- the companies Eurofins Environment Testing Australia and Agrisearch Australia/ New Zealand regarding their remaining NCI (9% and 19% respectively). The valuation is based on the value of the Put and Call option at a variable price, as defined in Note 3.14 'Amounts due for business acquisitions' for the put and call option at a variable price. This is a level 3 fair value measurement.

The non-controlling interests of the companies listed above consequently bear the risks and rewards attached to their shareholding, which are recognised as Non-controlling interests. Most minority shareholders are managing directors of the companies and they have a right to the dividend of the company in which they hold a non-controlling interest.

The Group has elected the full goodwill method on these deals; the non-controlling interests have been in consequence recognised at their fair value against goodwill at acquisition time.

In accordance with IAS 32.23, the Group has recognised its obligation to purchase the shares under the put option as a financial liability under the caption "amount due from business combination". The same paragraph states that the financial liability is reclassified from equity.

During 2014, the Group acquired 75% of Eurofins Agroambiental SLU (ES), which generated an increase in non-controlling interests. The non-controlling interests in Toxlab SAS changed also from 5% to 12.47% and in AgriQuest Limited (Kenya) to 40%.

## 4. Other information

### 4.1 Segment information

#### Business segments

The Group is organised on a worldwide basis into one main business segment: Analytical testing.

#### Geographical segments

Although the Group's business is managed on a worldwide basis, it operates in seven main geographical areas. These are Benelux, France, Germany, North America, Nordic countries, UK and Ireland, and Other countries.

EUR Thousands Revenues	2014	2013
Benelux	144,253	113,405
France	226,462	219,712
Germany	236,119	211,707
North America	356,905	276,096
Nordic countries	160,909	159,809
UK & Ireland	77,847	63,430
Other countries	207,732	181,413
<b>Total</b>	<b>1,410,227</b>	<b>1,225,572</b>

Revenues are based on the production country. For confidentiality reasons, the operating income by geographical area is not provided.

Total assets and capital expenditure are shown in the geographical area in which the assets are located.

EUR Thousands Total Assets	2014	2013
Benelux	304,887	345,848
France	216,112	237,725
Germany	237,204	222,964
North America	614,714	279,616
Nordic countries	164,384	155,444
UK & Ireland	67,819	54,931
Other countries	268,070	200,487
<b>Total</b>	<b>1,873,190</b>	<b>1,497,016</b>

EUR Thousands Investments	2014	2013
Benelux	52,926	64,601
France	18,255	22,279
Germany	31,967	22,971
North America	235,913	13,255
Nordic countries	18,314	12,028
UK & Ireland	12,028	6,308
Other countries	50,189	38,969
<b>Total</b>	<b>419,593</b>	<b>180,411</b>

Investments include the purchase of property, plant, equipment (EUR 105,506K) and intangible assets (EUR 29,018K) as well as the change of scope for goodwill, brand name and customer relationship (EUR 285,068K).

### 4.2 Financial risk management

#### Liquidity risk

During 2014, the Company issued additional hybrid capital for a par value of EUR 150m.

The Company and its subsidiaries have entered into several loan and facility agreements, mainly:

- Schuldschein promissory note;
- OBSAAR bonds;

- Senior unsecured Euro Bond;
- Bilateral credit facilities with a number of banks.

Certain loans/ facilities are secured either by contingent securities over assets and/or by financial covenants, determined at local or consolidated level. Such covenants are usually based on comparable ratios to those applicable to the OBSAAR bonds and the Schuldschein loan.

The hybrid capital and Euro bonds are not secured by financial covenants.

During 2013, the Group modified its covenants on its main credit facilities. The gearing ratio got dropped and the leverage ratio modified in such way that it is now calculated as Net debt divided by Adjusted EBITDA.

A potential anticipated repayment of the loans, the OBSAAR bonds and the Schuldschein promissory note listed above can be called in case of the leverage ratio exceeding 3.5 times; this covenant is tested annually.

The Group has made a detailed review of its liquidity risk and considers that it is capable of honouring its debts. However, in regards to the current economic environment it should be noted that the Company complies with its leverage ratio and at this time does not anticipate any particular liquidity problems or issues regarding the financial covenants within the next twelve months.

The leverage ratio as at December 31, 2014 and 2013 was as follows:

EUR Thousands	2014	2013
Net debt (Note 3.9)	493,612	386,846
Adjusted EBITDA	260,430	219,281
<b>Leverage ratio</b>	<b>1.90</b>	<b>1.76</b>

Bearing in mind the uncertainties affecting the banking industry on a global basis and the possible difficulties for corporate enterprises to access the credit markets, it is possible that the Company will bear a higher cost on its short, medium and long term lines of credit than was available previously. This could have adverse effects on the Company's net worth, financial position, and operating results and even its very existence.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period between the balance sheet date and the maturity date.

EUR Thousand	Total	Up to 1 year	2-5 years	Over 5 years
<b>Year 2014</b>				
Bank borrowings par value	227,986	11,948	214,979	1,058
Lease liabilities	10,254	2,846	6,729	679
Bonds par value	475,995	58,665	417,330	-
Amounts due for business acquisitions (not discounted)	46,136	19,073	26,805	258
Earnings due on hybrid capital	19,217	19,217	-	-
Current and future interest due <sup>1</sup>	72,461	28,150	44,283	28
Trade accounts payable	127,141	127,141	-	-
<b>Total</b>	<b>979,190</b>	<b>267,041</b>	<b>710,127</b>	<b>2,023</b>

<sup>1</sup> Including derivative financial instruments impact

As at December 31, 2014 Cash and cash equivalents stand at EUR 216,620K (Note 3.9).

EUR Thousand	Total	Up to 1 year	2-5 years	Over 5 years
<b>Year 2013</b>				
Bank borrowings par value	198,146	13,073	181,947	3,126
Lease liabilities	15,327	4,155	9,379	1,793
Bonds par value	475,994	-	475,994	-
Amounts due for business acquisitions (not discounted)	28,363	9,892	18,157	314
Earnings due on hybrid capital	10,500	10,500	-	-
Current and future interest due <sup>1</sup>	101,114	26,217	74,754	60
Trade accounts payable	100,951	100,951	-	-
<b>Total</b>	<b>930,396</b>	<b>164,788</b>	<b>760,231</b>	<b>5,377</b>

<sup>1</sup> Including derivative financial instruments impact

As at December 31, 2013 Cash and cash equivalents stand at EUR 297,257K (Note 3.9).

#### Interest rate risk

In order to finance parts of the acquisition and expansion costs, the Company and its subsidiaries have entered into several loan and facility agreements as specified above. The loans and facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans and facilities with a variable interest rate in the Company and in some of its subsidiaries has been partially hedged by various financial instruments (e.g. swap with a fixed rate or cap with a maximum interest rate covering a certain period, Note 4.5).

However, as there are certain lines of credit that are still based on a variable rate, it cannot be excluded that the interest rate concerning these loans will rise in the future. This could have an adverse effect on the Company's financial position and operating results.

#### Currency risks

Presently, the Group generates roughly 50% of its revenues outside of the Euro-Zone. The Group will continue to conduct its business activities in the future via subsidiaries in various countries. However, in most cases, the revenues and operating results as well as most items on the balance sheet of its subsidiaries (fixed and operating assets, certain financial and operating liabilities) are settled in the domestic currency without any real exchange risk. Accounting-wise, these operating results and balance sheet items are recorded in the corresponding foreign currency and then converted into Euro, for inclusion in the Company's consolidated financial statements at the applicable exchange rate.

In some cases, where an exchange rate risk might be applicable with revenues and cost structures in different currencies, the Company or its subsidiaries may enter into some currency hedging instruments to avoid any exchange rate fluctuations.

However, even though the Company intends to continue to take such measures in the future in order to at least partially mitigate the effects of such exchange rate fluctuations and although the introduction of the Euro as a common currency has created a uniform currency environment in most of Europe, future exchange rate fluctuations could have a material adverse effect on the Company's financial position and operating results, particularly with respect to the US and Australian Dollar,

the Danish, Swedish and Norwegian Krona, the Japanese Yen and the Pound Sterling.

#### Credit risk

Given the quality of the Group customers, the Company believes the risk of bad debts is low. The rate of default suffered by the Company in proportion to its sales has been very low in the last five fiscal years. On average during this period, doubtful accounts represented around 1% of the annual revenues, whilst customer terms of payment are in accordance with ordinary commercial practices in each country where the Company is active. During times of more difficult economic and trading conditions, such as at present, the Company pays particular attention to the ability of new and existing customers to pay their debts. At all times the Company considers that its provisioning for doubtful debtors is appropriate. However, given the context of a long-lasting downturn in the economy, if any major customers were to default, there would be a negative impact on earnings. In its lines of business, the Group has a large number of customers. The Company wishes not to be dependent on any single customer. The Group's biggest customer represents less than 2% of the consolidated revenues and the first 10 customers of the Company represent altogether less than 10% of the consolidated revenues.

However, the loss of one or more of these customers would have an adverse effect on the Group's financial position and operating results or in extreme cases its very existence.

The amounts relating to trade accounts receivable, bad debt provision and the ageing balance are shown in Note 3.7.

#### **4.3 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### **4.4 Contractual obligations and other commercial commitments**

##### Contingent liabilities over borrowings:

The liabilities and borrowings listed below are already included in the Group's balance sheet. The following table only repeats these amounts when these borrowings are secured by covenants or securities on assets.

EUR Thousands	2014	2013
Bank borrowings secured over buildings and other assets *	295	9,041
Leases secured over buildings and other assets **	10,148	15,681
Bank borrowings secured by covenants & assets	9,773	10,325
<i>Total borrowings and leases secured</i>	<i>20,216</i>	<i>35,047</i>
Bank borrowings & OBSAAR secured by covenants	385,923	346,954
<b>Total</b>	<b>406,139</b>	<b>382,001</b>

\* Furthermore, some of these bank borrowings are also secured by covenants.

\*\* Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The Group complies with the covenants of its relevant lines of credit as at December 31, 2014.

The Group's other contractual obligations and commercial commitments as of December 31, 2014 are as follows:

€ Thousand	Total	Up to 1 year	2-5 years	Over 5 years
Other contractual obligations given				
Total Operating leases *	202,520	42,669	100,279	59,572
- Buildings	190,744	37,533	93,651	59,560
- Equipments & cars	11,776	5,136	6,628	12
Irrevocable purchase obligations	165	-	165	-
<b>Total</b>	<b>202,685</b>	<b>42,669</b>	<b>100,444</b>	<b>59,572</b>

\* Future aggregate minimum lease payments, non-cancellable (operating leases), discounted.

Irrevocable purchase obligations are related to one company that is not fully consolidated in which the Group has the benefits of a put and call option.

The amount of operating lease payments recognised as an expense during the period are:

EUR Thousands	2014	2013
Operating lease payments	44,800	37,200

EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Other commercial commitments				
Guarantees given related to financing	14,586	-	2,468	12,118
Guarantees given related to acquisitions	-	-	-	-
<b>Total</b>	<b>14,586</b>	<b>-</b>	<b>2,468</b>	<b>12,118</b>
Guarantees received	-	-	-	-
<b>Total guarantees, net</b>	<b>14,586</b>	<b>-</b>	<b>2,468</b>	<b>12,118</b>

#### Detail of guarantees given related to financing

- In the context of a grant of £1,922,000 provided by Advantage West Midlands, now managed directly by the Department for Business, Innovation and Skills (a British Government agency), the Company has guaranteed by a comfort letter to provide the company Eurofins Food Testing UK Limited with the cash required to allow it to fulfill its obligations and ensure the payment of all amounts due by Eurofins Food Testing UK Limited in execution of its commitments in relation to the grant offer.
- The Company has counter-guaranteed the Swedish insurance entity "Försäkringsbolaget Pensionsgaranti" for all amounts due that this entity should have to pay to the current and past employees of the Swedish companies, indirect subsidiaries of Eurofins Scientific S.E., for their pension obligation for a maximum amount of EUR 10,918K (this amount is accounted for in the caption "retirement benefit obligations note 3.15).
- In the scope of a EUR 1,200K grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failure to meet its commitments related to this grant.

#### Detail of guarantees given related to acquisitions

- In the scope of the acquisition of a French company by Eurofins Industrial Testing Lux SARL, the company Eurofins Industrial Testing Lux SARL has concluded with the former shareholders a profit sharing agreement in case of a gain on the sale of a building. This agreement is valid until end of 2015.

#### Other commitments given

To the Group's knowledge, no other significant off-balance sheet commitments are in existence.

The Group has not set up any factoring or securitization transactions with third parties.

#### Detail of guarantees received

None.

#### 4.5 Exposure to interest rate, currency and credit risks

EUR Thousands	2014	2013
Derivative financial assets	-	-
Derivative financial liabilities	-12,362	-15,119
Total net	-12,362	-15,119

##### Exposure to interest rate risk

In order to hedge the Group's exposure to interest rate fluctuations particularly related to the 2010 OBSAAR bonds and part of the Schuldschein loan, the Group has concluded hedging contracts in order to swap its floating interest rate against a fixed rate. These contracts are either with immediate or deferred effect.

Consequently, the Group has concluded interest rate hedging contracts with deferred effective dates for the period December 2014 to July 2018 for a total nominal amount comprised of EUR 217.5m declining to EUR 10m over time.

The fair value as at December 31, 2014 of the swaps is estimated as a liability of EUR 12,362K and has been accounted for in equity.

The change in fair value of the financial instruments over the year has been accounted for in other comprehensive income as a positive amount of EUR 2,757K.

Interest Rate <sup>1</sup>	Notional principal value	Fair value (in EUR Thousands)		
		Opening	Change	Closing
3.21%	150,000	-10,038	2,360	-7,678
2.83%	67,500	-5,081	397	-4,684
Total	217,500	-15,119	2,757	-12,362

<sup>1</sup> interest rate applicable at the end of December 2014,

The amount booked in equity is transferred to net profit as far as the underlying instrument impacts the net profit. No inefficiency related to the cash flow hedge has been booked in the net profit for the period.

The impact on the valuation of the financial instruments of a shift of +/- 1 percentage point in the yield curve would be close to + or - EUR 3.6m on the Group's total equity.

The Group's net exposure to interest rate risk for the borrowings as per balance sheet date, taking into account the above hedging transactions is presented below:

	2014	2013
Borrowings at fixed interest rates	90%	96%
Borrowings at floating interest rates	10%	4%

Given the breakdown between fixed rate and floating rate assets and liabilities at December 31, 2014, a 1% increase or decrease in interest rates would have a full-year impact of +/- EUR 736K on results before income taxes.

EUR Thousands	Rate	Up to 1 year	2-5 years	Over 5 years	Total
Assets	Fixed	-	-	-	-
(Note 3.9)	Floating	-73.8	-	-	-73.8
Loans	Fixed	7.5	7.3	0.9	15.7
	Floating	4.8	42.0	0.8	47.6
Schuldschein	Fixed	-	102.5	-	102.5
	Floating	-	67.5	-	67.5
OBSAAR	Fixed	-	-	-	-
	Floating	58.3	117.0	-	175.3
Euro Bond	Fixed	-	300.0	-	300.0
	Floating	-	-	-	-
Exposure Before hedge	Fixed	7.5	409.8	0.9	418.2
	Floating	-10.7	226.5	0.8	216.6
Hedge	Fixed	50.0	167.5	-	217.5
	Floating	-50.0	-167.5	-	-217.5
Exposure after hedge	Fixed	57.5	577.3	0.9	635.8
	Floating	-60.7	59.0	0.8	-0.9

##### Exposure to currency risk

The most significant currencies for the Group were translated at the following exchange rates into Euro.

Value of EUR 1	Balance Sheet		Income Statement	
	End of period rates Dec. 31, 2014	Dec. 31, 2013	average rates 2014	2013
US dollar	1.21	1.37	1.33	1.33
Pound sterling	0.78	0.83	0.81	0.85
Swedish krona	9.43	8.85	9.09	8.62
Norwegian krone	9.01	8.4	8.33	7.75
Danish krone	7.46	7.46	7.46	7.46
Japanese yen	147	143	141	128
Australian dollar	1.50	1.54	1.47	1.36

At December 31, 2014, the exposure to currency risk breaks down as follows:

Currency	Assets	Liabilities	Off-balance sheet	Net position	Net position
			Commitments	before hedge	after hedge
DKK	80,100	63,834	-	16,266	16,266
SEK	71,268	59,231	10,918	1,119	1,119
NOK	29,034	22,770	-	6,264	6,264
USD	644,114	361,918	-	282,196	282,196
GBP	68,784	45,719	2,468	20,597	20,597
Other*	205,313	101,924	-	103,389	103,389
Total	1,098,613	655,396	13,386	429,831	- 429,831

\* non Euro

A 1 percentage point increase or decrease in exchange rates would have an impact of EUR 4,433K on the Group's equity and an impact on the Group's EBITAS of EUR 929K.

##### Net investment hedge

The Company has designated instruments to hedge net investments in foreign operations. An entity may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. Such monetary items may include long-

term receivables or loans. They correspond to Intercompany loans denominated in Euros and in US Dollars provided by Eurofins Finance SA (lender) to other companies of the Group (borrowers) trading in currencies other than Euro.

The nature of the risk hedged is the change in foreign exchange rates between the currency of the loan and the currency of either the lender or the borrower.

EUR Thousands			
Currency of loan	Currency of lender or borrower	2014	2013
USD	EUR	245,792	93,834
EUR	USD	17,290	7,006
EUR	DKK	35,363	30,576
EUR	SEK	24,640	23,136
EUR	GBP	25,920	19,942
EUR	NOK	10,877	12,378
EUR	BRL	15,328	2,819
EUR	AUD	4,093	2,524
EUR	NZD	1,937	4,541
EUR	CNY	6,096	4,549
EUR	PLN	790	1,845
EUR	CCH	166	-
EUR	JPY	224	-
<b>Total</b>		<b>388,516</b>	<b>203,150</b>

The net investment in hedged foreign operations is worth EUR 388.5m (fully eliminated in consolidation).

The fair value of hedging represents a positive value of EUR 6.8m at the end of 2014 included in "Currency translation differences" in equity.

#### Credit quality of financial assets

The Group may be exposed to the risk of losses on cash and other financial instruments held or managed on its behalf by financial institutions, if any of its counterparties defaults on its obligations. Group policy is to limit its exposure by dealing solely with leading counterparties and monitoring their credit ratings, in line with guidelines approved by the Company. However, credit risks arising from transactions with financial counterparties can escalate rapidly and a high credit rating is no guarantee that an institution will not experience a rapid deterioration of its financial position. As a result, there is no guarantee that this policy will be effective in entirely eliminating counterparty risk. Any default by a counterparty could have a material adverse effect on the Group's objectives, operating income and financial position.

To limit the Group's exposure to credit risk, the Treasury and Financing Department deals primarily with counterparties with a long-term rating of BBB+ or above from Standard & Poor's or Baa3 or above from Moody's. Concentrations of credit risk are closely monitored to ensure that they remain at reasonable levels.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

The cash and marketable securities are allocated within the cash generating units as follows:

EUR Thousands Cash & cash equivalents per CGU	2014	in %	2013	in %
Benelux *	98,337	45%	200,710	67%
France	16,524	8%	15,316	5%
Germany	19,732	9%	13,073	4%
USA	27,142	13%	21,369	7%
Scandinavia	16,581	8%	16,801	6%
British Isles	7,939	4%	5,280	2%
Other Countries	30,365	14%	24,708	8%
<b>TOTAL</b>	<b>216,620</b>	<b>100%</b>	<b>297,257</b>	<b>100%</b>

\* includes the Group's parent company in Luxembourg

Marketable securities (EUR 73.825K) are invested for more than 95% with banks in France and Luxembourg showing an A external credit rating (S&P, Moody's or Fitch) or above.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2014 is the carrying amount of financial assets.

#### 4.6 Financial instruments by category

The carrying and fair value of the financial assets and financial liabilities are as follows:

EUR Thousands	Carrying value	Financial assets classification				Fair value
		Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	
<b>Assets</b>						
<b>Year 2014</b>						
Available for sale financial assets (Note 3.5)	2,747	-	-	-	2,747	2,747
Derivative financial instruments	-	-	-	-	-	-
Financial assets trade and other receivables – non current (Note 3.5)	20,517	20,517	-	-	-	20,517
Trade and other receivables excluding prepayments - current (Note 3.7, 3.8)	349,977	349,977	-	-	-	349,977
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Marketable securities (Note 3.9)	73,825	-	73,825	-	-	73,825
Cash and cash equivalents (Note 3.9)	142,795	142,795	-	-	-	142,795
	<b>589,861</b>	<b>513,289</b>	<b>73,825</b>	-	<b>2,747</b>	<b>589,861</b>

EUR Thousands	Carrying Value	Financial liabilities classification			Fair Value
		Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	
<b>Liabilities</b>					
<b>Year 2014</b>					
Borrowings (Note 3.10)	710,232	-	-	710,232	732,611
Interest and earnings due on hybrid capital (Note 3.11)	23,832	-	-	23,832	23,832
Amounts due for business acquisitions (Note 3.14)	44,308	-	-	44,308	44,308
Derivative financial instruments (Note 4.5)	12,362	-	12,362	-	12,362
Trade accounts payable other current liabilities and advance payments received and deferred revenues	316,667	-	-	316,667	316,667
	<b>1,107,401</b>	-	<b>12,362</b>	<b>1,095,039</b>	<b>1,129,780</b>

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 - Marketable securities or Eurobonds);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. such as prices) or indirectly (i.e. derived from prices) (Level 2 - Derivative financial instruments);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

There were no transfers between levels.

With the exception of the non-current fixed-rate borrowings, the Group considers the carrying value of the financial instruments to approximate their fair value.

Regarding borrowings, their fair value is based on:

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond (fair value amount of EUR 316.1m against a carrying value of EUR 300m)
- A cash flow discounted method included in Level 2 of the fair value hierarchy for the fixed rate part of the Schuldschein loan (fair value amount of EUR 108.8m against a carrying value of EUR 102.5m). The discount rate used corresponds to a borrowing rate of 1.70% (2013: 3.13%)

The fair value of current borrowings (including overdraft) equals their carrying amount, as the impact of discounting is not significant.

EUR Thousands	Financial assets classification					Fair value
	Carrying value	Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	
<b>Assets</b>						
<b>Year 2013</b>						
Available for sale financial assets (Note 3.5)	754	-	-	-	754	754
Derivative financial instruments	-	-	-	-	-	-
Financial assets trade and other receivables – non current (Note 3.5)	16,051	16,051	-	-	-	16,051
Trade and other receivables excluding prepayments - current (Note 3.7, 3.8)	296,377	296,377	-	-	-	296,377
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Marketable securities (Note 3.9)	181,624	-	181,624	-	-	181,624
Cash and cash equivalents (Note 3.9)	115,633	115,633	-	-	-	115,633
	<b>610,439</b>	<b>428,061</b>	<b>181,624</b>	-	<b>754</b>	<b>610,439</b>

EUR Thousands	Financial liabilities classification				Fair value
	Carrying Value	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	
<b>Liabilities</b>					
<b>Year 2013</b>					
Borrowings (Note 3.10)	684,103	-	-	684,103	688,764
Interest and earnings due on hybrid capital (Note 3.11)	14,123	-	-	14,123	14,123
Amounts due for business acquisitions (Note 3.14)	26,820	-	-	26,820	26,820
Derivative financial instruments (Note 4.5)	15,119	-	15,119	-	15,119
Trade accounts payable other current liabilities and advance payments received and deferred revenues	265,655	-	-	265,655	265,655
	<b>1,005,820</b>	-	<b>15,119</b>	<b>990,701</b>	<b>1,010,481</b>

#### 4.7 Potentially dilutive instruments

##### Stock option plans

Stock options are granted to directors and to employees. Movements in the number of share options outstanding are as follows:

Share options	2014	2013
At beginning of the year	1,009,626	1,043,645
Options granted *	120,950	139,065
Options exercised	-130,916	-135,619
Options expired	-62,460	-37,465
At end of the year	937,200	1,009,626

\* Under conditions (strike price, date of exercise, etc.) of new option plans.

As at December 31, 2014, 937,200 stock options awarded are still outstanding. Further details can be found in the "Management Report".

##### BSAAR warrants (Notes 1.18 and 3.10)

The BSAAR warrants have been mainly acquired by the managers of the Group. Movements in the number of shares to be possibly issued upon exercise of BSAAR warrants are as follows:

In potential new shares	2014	2013
At beginning of the period	16,806	74,396
BSAAR exercised	-220	-56,342
BSAAR forfeited	-	-1,248
At end of the period	16,586	16,806

##### 2014 BSA Leaders Warrants

Upon decision and authorization granted by the board of directors of June 19, 2014, the Managing Director of the Company following a decision dated of July 1, 2014 decided to issue up to 117.820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58.

The subscription price was set at EUR 18.15 per 2014 BSA Leaders Warrant. 2014 BSA Leaders Warrants' holders will have the option to exercise their 2014 BSA Leaders Warrants at any time starting 4 years from the date of subscription starting July 1, 2018 until 30 June 30, 2022 inclusive.

##### Partial and optional acquisition price payments in Eurofins shares

At December 31, 2014, the overall number of Eurofins shares potentially deliverable is 0 share.

##### Detail of the weighted average number of shares outstanding (diluted)

In Thousand	2014	2013
Weighted average shares outstanding (basic)	15,127	14,993
Weighted average stock options	916	984
Weighted potential shares by BSAAR exercise	17	17
Stock options with exercise price above the average share price	-	-
Weighted average shares outstanding (diluted)	16,060	15,994

#### 4.8 Earnings per share

	Net profit	Weighted average shares outstanding	Net profit per share
<b>Basic</b>			
Total	79,104	15,127	5.23
Hybrid capital investors <sup>1</sup>	1,129	-	0.07
Equity holders	77,975	15,127	5.15
<b>Diluted</b>			
Total	79,104	16,060	4.93
Hybrid capital investors <sup>1</sup>	1,129	-	0.07
Equity holders	77,975	16,060	4.86

<sup>1</sup> See Note 3.12

#### 4.9 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business in connection with the services they provide. The majority of these claims are covered by business-specific insurance. Specifically, the Group contests significant liability demands in the United States and in France, which it considered unjustified: the Group's responsibility has not been proven and the damages that are claimed have been neither established nor measured.

Based on the information available to date, the Group considers that the outcome of these disputes and legal claims currently in process is unlikely to have a significant adverse impact on the consolidated financial statements other than those provided for (Note 3.16).

#### 4.10 Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation process and are not disclosed in the notes.

The Group is controlled by the company Analytical Bioventures SCA, holding of the Martin family. This company owns 42.19% of the Company's shares and 59.02% of its voting rights as of December 31, 2014.

In 2014, three new lease agreements have been signed, of which one in France, one in Belgium and one in US, with three property companies owned by Analytical Bioventures SCA, the holding company of the Martin family, representing an annual lease commitment of EUR 0.5m.

Transactions with Affiliates or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's Board of Directors or top management have significant influence such as "International Assets Finance S.à.r.l." are as follows:

EUR Million	2014	2013
Purchase of goods	-	-
Sale of goods	-	-
Support management services provided to the related party	0.2	0.2
Support management services provided to Eurofins	-	-
Receivables from related party	10.6	10.1
Payables to related party	-	-
Loans to related party	-	-
Rent paid	13.7	11.2

The future aggregate minimum lease payments, non-cancellable (operating leases), net (discounted) to related-party represent an amount of EUR 107m at December 31, 2014 (EUR 82m in 2013).

Receivables relate to lease deposits.

Key management compensation of the Board of Directors:

EUR Thousands	2014	2013
Director fees and other short-term fringe benefits	1,378	1,205
Post-employment benefits	-	-
Share-based payments	-	-
<b>Total</b>	<b>1,378</b>	<b>1,205</b>

#### 4.11 Auditor's remuneration

EUR Thousands	2014	2013
Audit of these financial statements	165	133
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	735	692
Other services pursuant to such legislation	35	33
<b>Total fees payable pursuant to legislation</b>	<b>935</b>	<b>858</b>
Taxation services	4	92
Transaction advisory	-	-
Other	-	-
<b>Total</b>	<b>939</b>	<b>950</b>

The Group has external auditors other than PwC in some countries. Their fees are not included in the above table.

#### 4.12 Post-closing events

##### Change of scope:

Eurofins acquired on January 31, 2015 Boston Heart Diagnostics Corporation (Boston Heart), a company of Bain Capital Ventures, for an initial value of \$140 million, subject to post-closing adjustments, plus an earn-out payment to the sellers that is expected to be in excess of \$60 million upon achievement of certain milestones.

Boston Heart is an innovative heart health management company that provides a leading, advanced diagnostics platform to help identify and reduce the risk of cardiovascular disease, diabetes, and other chronic conditions which impose large costs upon the US healthcare system. The company utilizes a suite of proprietary diagnostics in combination with additional clinical and genetic tests, extensive cardio-informatics capabilities, and ancillary patient engagement services to offer a comprehensive and fully-integrated chronic condition platform to at-risk and secondary prevention patients through primary care physicians, cardiologists, and other clinicians focused on improving CVD patient outcomes.

Through its CLIA and CAP certified laboratory located in Framingham, Massachusetts, Boston Heart is projected to achieve around \$95 million of revenues in 2014, representing a CAGR of over 75% since 2011 and employs nearly 350 employees.

As reported in The Wall Street Journal in September 2014, several companies in the cardiac biomarker

laboratory services industry, including Boston Heart, are currently cooperating with an investigation that the U.S. Department of Health and Human Services, Office of Inspector General, is conducting with the U.S. Department of Justice related, in part, to payments made to physicians for services performed in connection with blood specimen processing and handling services. Boston Heart is cooperating fully with this investigation, and after due diligence, Eurofins is confident in the accretive value of this transaction for its stockholders.

In February 2015, Eurofins announced the acquisition of BioDiagnostics Inc., one of the leading seed and plant-tissue testing laboratories serving the agricultural industry employing around 120 staff in River Falls, WI (US).

##### Financing:

The Group raised EUR 500m in its second senior unsecured Euro bond public issuance announced on January 21, 2015.

The bonds have a seven-year maturity (due January 27, 2022) and bear an annual coupon of 2.25% (ACT/ACT).

Eurofins intends to use the proceeds of the offering for general corporate purposes as part of its mid-term development plan with the objective to achieve revenues of EUR 2bn by 2017, as well as to secure its longer-term leading position in the markets where it is active. In addition, part of the proceeds is planned for balance sheet optimization to lengthen the average maturity of its debt whilst reducing its average cost of capital.

The bonds are listed, from their issue date (January 27, 2015), on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

## 5. Scope of the Group

### 5.1 Change in the scope 2014

The Companies below are fully consolidated (at 100%).

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Biologis GmbH	DE	Eurofins Genomics LUX Holding SARL	100%	01/14 1
Eurofins IDmyk S.A.	FR	Eurofins Pharma France Holding SAS	100%	01/14
Eurofins Omegam B.V.	NL	Eurofins Environment Testing Netherlands Holding BV	100%	01/14
K.B.B.L. INSPECTIE B.V.	NL	Eurofins Food Testing Netherlands Holding BV	100%	01/14
K.B.B.L. WIJHE B.V.	NL	Eurofins Food Testing Netherlands Holding BV	100%	01/14 1
Eurofins NSC Hong Kong Limited	CN	Eurofins Support Services LUX Holding SARL	100%	02/14
Uppsala Property Invest AB	SE	Eurofins Support Services LUX Holding SARL	100%	03/14
Eurofins HT-Analytik GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100%	04/14
Padova Via Austria Real Estate Invest Srl	IT	Eurofins Environment Testing LUX Holding SARL	100%	04/14 1
Hygiene-Institut Dr. Berg GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100%	05/14
Eurofins Agroambiental SLU	ES	Eurofins Genetics SLU	75%	05/14
Eurofins Anàlisis Alimentario SL	ES	Eurofins Food Testing Spain SL	100%	05/14 1
Eurofins Genetics SLU	ES	Eurofins Food Testing Spain SL	100%	05/14
South Bend real Estate, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100%	05/14 1
Eurofins Calscience, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100%	05/14
Eurofins NSC Shanghai Co., Ltd.	CN	Eurofins Support Services LUX Holding SARL	100%	06/14 1
Gravestraat Real Estate Invest BVBA	BE	Eurofins Support Services LUX Holding SARL	100%	06/14 1
Eurofins GSC Belgium SA	BE	Eurofins Support Services LUX Holding SARL	100%	07/14 1
Analytical Technology Serviços Analíticos e Ambientais Ltda	BR	Innolab do Brasil Ltda.	100%	07/14
Eurofins NSC HR France SAS	FR	Eurofins Support Services LUX Holding SARL	100%	07/14 1
Duivendrecht Real Estate Invest BV	NL	Eurofins Environment Testing Netherlands Holding BV	100%	07/14 1
ViraCor - IBT Laboratories, Inc.	US	Eurofins Pharma US Holdings II Inc.	100%	07/14
Sabater Pharma, S.A.	ES	Eurofins BioPharma Product Testing Spain SLU	100%	08/14
Eurofins Prélèvement pour le Bâtiment France Holding SAS	FR	Eurofins Analyses pour l'Environnement France LUX Holding SARL	100%	08/14 1
Moss Property Invest AS	NO	Eurofins Support Services LUX Holding SARL	100%	08/14 1
Eurofins Agro Testing Ukraine TOB	UA	Eurofins Food Testing LUX Holding SARL	100%	08/14 1
Eurofins Agro Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100%	08/14 1
Eurofins Analyses pour le Bâtiment Sud SAS	FR	Eurofins Analyses pour la Construction France Holding SAS	100%	08/14 1
Eurofins Miljø Luft A/S	DK	Eurofins Environment Denmark Holding A/S	100%	08/14 1
Eurofins Prélèvement pour le Bâtiment Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	09/14 1
Eurofins BioPharma Product Testing Netherlands BV	NL	Eurofins Pharma Services LUX Holding SARL	100%	09/14 1
Eurofins Prélèvement pour le Bâtiment Île-de-France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	09/14 1
Eurofins NDSC Environment Testing Benelux B.V.	NL	Eurofins Environment Testing Netherlands Holding BV	100%	09/14 1
Eurofins Prélèvement pour le Bâtiment Nord SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	09/14

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Prélèvement pour le Bâtiment Sud-Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	09/14 1
Integrated Petroleum Expertise Company - Serviços em Petroleo Ltda	BR	Innolab do Brasil Ltda.	100%	10/14 1
Eurofins Prélèvement pour le Bâtiment France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	10/14 1
Eurofins Prélèvement pour le Bâtiment Ouest SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100%	10/14 1
Eurofins Norlab AS	NO	Eurofins Food Testing Norway Holding AS	100%	11/14
Eurofins S-F Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100%	11/14
Digital TV Labs Limited	UK	Eurofins Product Testing LUX Holding SARL	100%	11/14 1
Eurofins NDSC Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100%	11/14 1
SCI Vennecy Les Esses Galerie	FR	Eurofins Support Services LUX Holding SARL	100%	11/14 1
Eurofins Clinical Testing US Holdings, Inc.	US	Eurofins Clinical Testing Holding LUX SARL	100%	11/14 1
Eurofins Clinical Testing Holding LUX Sarl	LU	Eurofins International Holdings LUX SARL	100%	11/14
Eurofins France Holding Développement I	FR	Eurofins France Holding SAS	100%	12/14 1
Eurofins France Holding Développement II	FR	Eurofins France Holding SAS	100%	12/14 1

<sup>1</sup> New Companies incorporated during the period.

The Companies listed below have been liquidated or merged during the period mainly for legal structure simplification purposes:

Company	Country ISO Code	% of interest by the Group	Date of exit
MV Genetix GmbH	DE	100	10/14
Eurofins Regulatory Services Japan KK	JP	100	12/14
MITAX BV	NL	100	01/14
CEREP, Inc.	US	88	03/14

## 5.2 Principal subsidiary undertakings

The Companies below are fully consolidated (at 100%). The % of voting rights is identical to the % of ownership in the Group's Subsidiaries.

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Scientific S.E.	LU	Parent		
Eurofins Lebensmittelanalytik Österreich GmbH	AT	Eurofins Food Testing LUX Holding SARL	100	01/07
Eurofins Genomics GmbH	AT	Eurofins Genomics LUX Holding SARL	100	09/11
Eurofins Agrosience Services Austria GmbH	AT	Eurofins Agrosiences Services LUX Holding SARL	100	12/12
Eurofins Environment Testing Australia Pty Ltd.	AU	Eurofins Environment Testing LUX Holding SARL	91	01/13
Eurofins Agrosience Services Pty Ltd.	AU	Eurofins Agrosiences Services LUX Holding SARL	81	07/13
Eurofins Agrosience Testing Pty Ltd.	AU	Eurofins Agrosience Services Pty Ltd.	81	07/13
Eurofins GSC Management Services NV	BE	Eurofins Support Services LUX Holding SARL	100	06/01
Eurofins GSC Finance NV	BE	Eurofins Scientific S.E.	100	07/06
Eurofins Belgium NV	BE	Eurofins Environment Testing LUX Holding SARL	100	11/07
Eurofins Food Testing Belgium NV	BE	Eurofins Food Testing LUX Holding SARL	100	10/10
Eurofins Environment Testing Belgium Holding NV	BE	Eurofins Environment Testing LUX Holding SARL	100	09/11
Eurofins Environment Testing Belgium NV	BE	Eurofins Environment Testing LUX Holding SARL	100	09/11
Eurofins Forensics Belgium BVBA	BE	Eurofins Forensics LUX Holding SARL	100	10/11
Eurofins Pharmaceutical Product Testing Belgium NV	BE	Eurofins Pharma Services LUX Holding SARL	100	11/11
O.C.B. NV	BE	Eurofins Environment Testing LUX Holding SARL	100	11/11
Envirocontrol NV	BE	Eurofins Environment Testing LUX Holding SARL	100	03/12
BLGG Agro Xpertus B.V.B.A.	BE	Holding BLGG BV	100	07/13
Eurofins Agrosiences Services EOOD	BG	Eurofins Agrosiences Services LUX Holding SARL	100	11/08
Eurofins do Brasil Análises de Alimentos Ltda.	BR	Eurofins Latin American Ventures SL	100	07/03
Innolab do Brasil Ltda.	BR	Eurofins Latin American Ventures SL	100	07/09
Eurofins Agrosience Services Ltda.	BR	Eurofins Latin American Ventures SL	100	06/12
Laboratório ALAC Ltda.	BR	Eurofins Latin American Ventures SL	100	04/12
Eurofins Scientific AG	CH	Eurofins Food Testing LUX Holding SARL	100	07/00
Eurofins Regulatory AG	CH	Eurofins Agrosiences Services LUX Holding SARL	100	12/11
Eurofins Pharmaceutical Product Testing Switzerland AG	CH	Eurofins Pharma Services LUX Holding SARL	100	01/13
Gestion De Calidad Y Laboratorio SA	CL	Eurofins Latin American Ventures SL	100	03/13
GCL Capacita SA	CL	Gestion De Calidad Y Laboratorio SA	100	03/13
Eurofins Product Testing Hong Kong Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100	03/06
Eurofins Technology Service (Suzhou) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	11/06
Eurofins Product Testing Service (Shanghai) Co., Ltd.	CN	Eurofins Shanghai Holding Ltd.	90	11/09
Eurofins Testing Technology (Shenzhen) Co., Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100	10/09
Eurofins Shanghai Holding Ltd.	CN	Eurofins Product Testing LUX Holding SARL	90	08/09
Eurofins Pharma Services Shanghai Co. Ltd.	CN	Eurofins Pharma Services LUX Holding SARL	100	05/12
Eurofins Food Testing Hong Kong Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	03/12
CEREP Drug Discovery Services Co, Ltd.	CN	Eurofins CEREP SA	89	03/13
Eurofins CZ, s.r.o.	CZ	Eurofins Bel/Novamann s.r.o.	100	10/06
Eurofins Food Testing Hamburg Germany Holding GmbH	DE	Eurofins GeneScan Holding GmbH	100	05/98
Institut für Lebensmittel-, Wasser- und	DE	Eurofins 1. Verwaltungsgesellschaft GmbH	100	11/98

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Umweltanalytik Nürnberg GmbH				
Eurofins GeneScan Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	07/03
Eurofins Analytik GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/98
Eurofins - Deutsches Institut für Lebensmitteluntersuchung GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	04/05
Eurofins GeneScan GmbH	DE	Eurofins GeneScan Holding GmbH	100	07/03
Sofia GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/06
Eurofins GfA GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	01/01
Ökometric GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	12/02
Eurofins NDSC Umweltanalytik GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	03/05
Eurofins Umwelt West GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100	04/05
Eurofins Umwelt Ost GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	01/06
Eurofins Institut Jäger GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	04/06
Eurofins Medigenomix GmbH	DE	Eurofins Genomics LUX Holding SARL	100	07/01
Eurofins Agrosience Services EcoChem GmbH	DE	Eurofins Agrosience Services Germany Holding GmbH	100	01/06
MWG-Biotech AG	DE	Eurofins Genomics BV	100	01/05
Eurofins Genomics GmbH	DE	MWG-Biotech AG	100	01/07
Eurofins Food Testing Pesticides Germany Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/06
Eurofins Dr. Specht Laboratorien GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/07
Eurofins MWG Synthesis GmbH	DE	MWG-Biotech AG	100	01/07
Eurofins Food Testing General Chemistry Germany Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Institut Dr. Rothe GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	04/07
Eurofins Product Testing Verwaltungs GmbH	DE	Eurofins Scientific S.E.	100	03/07
Eurofins Environment Testing Germany Holding West GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	12/07
Eurofins Agrosience Services Germany Holding GmbH	DE	Eurofins Agrosiences Services LUX Holding SARL	100	04/07
Eurofins 1. Verwaltungsgesellschaft GmbH	DE	Eurofins Scientific S.E.	100	04/07
Eurofins Umwelt Nord GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	05/07
Eurofins Laborservices GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins NSC IT Infrastructure Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
INLAB GmbH Institut für Lebensmittelmikrobiologie	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	93	12/07
Eurofins Product Service GmbH	DE	Eurofins Scientific S.E.	100	01/08
Eurofins Information Systems GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/07
Eurofins NSC Finance Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Consumer Product Testing GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	100	01/08
Eurofins Food Testing Germany East Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	01/08
Eurofins Agrosience Services Chem GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	02/08
Eurofins Dr. Specht Express GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/08
Eurofins WEJ Contaminants GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins BioTesting Services Nord GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins 2. Verwaltungsgesellschaft mbH	DE	Eurofins Environment Testing LUX Holding SARL	100	06/08
Eurofins Global Control GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/09

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Institut Dr. Appelt Leipzig GmbH & Co. KG	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Rapidust Analysis GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	08/09
Eurofins Fintelmann und Meyer GMP GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	07/09
Eurofins Institut Dr. Appelt Thüringen GmbH & Co. KG	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Institut Dr. Appelt Hilter GmbH & Co. KG	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Dr. Appelt Beteiligungs GmbH	DE	Eurofins Food Testing Germany East Holding GmbH	100	05/09
A&R Analytik GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins GfA Lab Service GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	10/10
Eurofins NDSC Food Testing Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/11
Eurofins Agrosience Services GmbH	DE	Eurofins Agrosience Services Germany Holding GmbH	100	07/11
Eurofins Facility Management Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/11
GUA Gesellschaft für Umweltanalytik mbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	06/12
Eurofins Medigenomix Forensik GmbH	DE	Eurofins Forensics LUX Holding SARL	100	08/12
Eurofins Institut Dr. Appelt Südwest GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	01/13
Eurofins GSC Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	04/13
Eurofins CLF Central Laboratories Friedrichsdorf GmbH	DE	Eurofins Special Nutrition Testing LUX Holding SARL	100	08/13
BLGG Deutschland GmbH	DE	Holding BLGG BV	100	07/13
LUA GmbH	DE	BLGG Deutschland GmbH	100	07/13
Eurofins NSC Denmark A/S	DK	Eurofins Support Services LUX Holding SARL	100	12/03
Eurofins Pharma Quality Control Denmark A/S	DK	Eurofins Pharma Services LUX Holding SARL	100	03/06
Eurofins Product Testing Denmark A/S	DK	Eurofins Product Testing LUX Holding SARL	100	08/08
Eurofins Miljø A/S	DK	Eurofins Environment Denmark Holding A/S	100	06/05
Eurofins Steins Laboratorium A/S	DK	Eurofins Food Denmark Holding A/S	100	07/06
Eurofins Environment Denmark Holding A/S	DK	Eurofins Environment Testing LUX Holding SARL	100	04/07
Eurofins Food Denmark Holding A/S	DK	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Agrosience Services A/S	DK	Eurofins Agrosiences Services LUX Holding SARL	100	04/13
Eurofins Genomics Holding Denmark A/S	DK	Eurofins Genomics LUX Holding SARL	100	11/13
AROS Applied biotechnology A/S	DK	Eurofins Genomics Holding Denmark A/S	100	01/13
Eurofins Miljø Vand A/S	DK	Eurofins Environment Denmark Holding A/S	100	10/13
Eurofins Agrosiences Services SL	ES	Eurofins Agrosiences Services LUX Holding SARL	100	01/06
Eurofins BioPharma Product Testing Spain SLU	ES	Eurofins Pharma Services LUX Holding SARL	100	01/07
Eurofins Latin American Ventures SL	ES	Eurofins International Holdings LUX SARL	100	04/09
Sica AgriQ SL	ES	AgriQ Group BV	100	07/13
Eurofins Food Testing Spain SL	ES	Eurofins Food Testing LUX Holding SARL	100	09/13
Eurofins Product Testing Spain SL	ES	Eurofins Product Testing LUX Holding SARL	100	09/13
Eurofins Scientific Finland Oy	FI	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins Viljavuuspalvelu Oy	FI	Eurofins Food Testing LUX Holding SARL	100	12/12
Eurofins Hygiène Alimentaire France Holding SAS	FR	Eurofins Hygiène Alimentaire France LUX Holding SARL	100	01/99
Eurofins Analytics France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	07/99
Eurofins Biosciences SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/99

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Certification SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/03
Eurofins Laboratoire de Microbiologie de l'Est SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	01/06
Eurofins ATS SAS	FR	Eurofins Product Testing LUX Holding SARL	100	01/99
Eurofins Hydrologie France Holding SAS	FR	Eurofins Hydrologie France LUX Holding SARL	100	07/05
Eurofins Analyses pour l'Environnement France SAS	FR	Eurofins Analyses pour l'Environnement France LUX Holding SARL	100	07/05
Eurofins LEM SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	01/01
Eurofins Pharma France Holding SAS	FR	Eurofins Pharma Services France LUX Holding SARL	100	06/06
Eurofins Genomics SAS	FR	Eurofins Genomics LUX Holding SARL	100	07/05
IFEG SAS	FR	Eurofins Forensics LUX Holding SARL	75	11/05
Toxlab SAS	FR	Eurofins Forensics LUX Holding SARL	88	02/05
Eurofins ADME Bioanalyses SAS	FR	Eurofins Pharma France Holding SAS	100	10/04
Eurofins Optimed SAS	FR	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Pharma Quality Control SAS	FR	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Medinet France SAS	FR	Eurofins Pharma France Holding SAS	100	06/06
Eurofins Agrosience Services France SAS	FR	Eurofins Agrosiences Services LUX Holding SARL	100	01/06
Eurofins Agrosience Services SAS	FR	Eurofins Agrosiences Services LUX Holding SARL	100	01/06
Chemtox SAS	FR	Eurofins Forensics LUX Holding SARL	96	01/08
Eurofins Laboratoires de Microbiologie Ouest SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	10/06
Eurofins Cervac Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins NSC Finance France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/06
Eurofins Marketing Research SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	01/01
Eurofins Food Chemistry Testing France Holding SAS	FR	Eurofins Food Chemistry Testing France LUX Holding SARL	100	09/07
Eurofins Optimed Lyon SAS	FR	Eurofins Pharma France Holding SAS	100	09/07
Eurofins NSC IT Infrastructure France SAS	FR	Eurofins Support Services LUX Holding SARL	100	12/07
Institut Louise Blanquet SAS	FR	Eurofins Hydrologie France Holding SAS	100	04/08
Eurofins Laboratoire Centre SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Laboratoire Nord SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	07/10
Eurofins Consulting Agroalimentaire SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins GSC France SAS	FR	Eurofins Support Services LUX Holding SARL	100	07/10
Eurofins NDSC Food France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/10
Eurofins NDSC Environnement France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	08/10
Eurofins Analyses pour le Batiment France Holding SAS	FR	Eurofins Analyses pour la Construction France LUX Holding SARL	100	08/10
Eurofins Analyses pour le Bâtiment France SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/10
Eurofins Ascal Hydrologie SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	10/10
Eurofins Analyses Environnementales pour les Industriels France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France LUX Holding SARL	100	10/10
Eurofins NSC Développement France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/10
Eurofins France Holding SAS	FR	Eurofins Scientific S.E.	100	12/10

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Agrosociences Service Chem SAS	FR	Eurofins Pharma France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ile de France SAS	FR	Eurofins Ascal Hydrologie SAS	100	12/10
Eurofins Analyses pour le Bâtiment Nord SAS	FR	Eurofins Ascal Hydrologie SAS	100	12/10
Eurofins Analyses pour le Bâtiment Sud Est SAS	FR	Eurofins Ascal Hydrologie SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour les Industriels France	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins Air à l'Emission France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins IPL Nord SAS	FR	Eurofins Industrial Testing LUX SARL	100	11/11
Eurofins IPL Hydrologie SAS	FR	Eurofins Water Testing LUX SARL	100	11/11
LCAM SAS	FR	Eurofins Food Management SAS	100	11/11
Eurofins IPL Ile de France SAS	FR	Eurofins IPL Hydrologie SAS	100	11/11
Eurofins IPL Est SAS	FR	Eurofins Hydrologie France SAS	100	11/11
Eurofins IPL Sud SAS	FR	Eurofins IPL Hydrologie SAS	100	11/11
IPL santé, environnement durables Midi-Pyrénées SAS	FR	Eurofins IPL Sud SAS	100	11/11
IPL Atlantique SA	FR	Eurofins IPL Hydrologie SAS	100	11/11
Eurofins Laboratoire Contaminants Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Laboratoire de Pathologie Végétale SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins IPL Bretagne SAS	FR	Eurofins Water Testing LUX SARL	100	02/12
Eurofins Formation SAS	FR	Eurofins Forensics LUX Holding SARL	100	02/12
Eurofins Air Paris SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	02/12
Eurofins Amiante Paris SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	02/12
Eurofins Food Management SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	02/12
Eurofins Expertises Environnementales SAS	FR	Eurofins IPL Est SAS	100	04/12
Eurofins NDSC Environnement France Holding SAS	FR	Eurofins Environment Testing LUX Holding SARL	100	05/12
Eurofins NDSCE Support France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	01/12
Eurofins Pharma Products Testing France SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
Eurofins GSC CADET SAS	FR	Eurofins Support Services LUX Holding SARL	100	11/12
Eurofins Environnement Logistique France	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/12
Eurofins Pharma Products Testing France Management SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
Eurofins Pharma Products Engineering SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
EVGS SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	51	12/12
Eurofins CEREP SA	FR	Eurofins Discovery Services LUX Holding SARL	89	03/13
Mitox Fopse EURL	FR	MITOX Trial Management BV	100	07/13
Eurofins Analyses pour le Bâtiment Sud-Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/13
Aquila (Gigco) Ltd.	GI	Eurofins Environment Testing LUX Holding SARL	100	12/12
Eurofins Agrosocience Services KFT	HU	Eurofins Agrosociences Services LUX Holding SARL	100	09/07
Eurofins Scientific (Ireland) Limited	IE	Eurofins GSC LUX SARL	100	05/03
Eurofins Food Testing Ireland Limited	IE	Eurofins Food Testing LUX Holding SARL	100	04/09
Eurofins Pharma Ireland Holding Limited	IE	Eurofins Pharma Services LUX Holding SARL	100	02/11
Microchem Laboratories (Ireland) Limited	IE	Eurofins Pharma Ireland Holding Limited	100	04/11

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Genomics India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	01/05
Eurofins Analytical Services India Pvt Ltd.	IN	Eurofins Food Testing LUX Holding SARL	100	05/09
Eurofins Pharma Services India Pvt Ltd.	IN	Eurofins Pharma Services LUX Holding SARL	100	01/11
Eurofins IT Solutions India Pvt Ltd.	IN	Eurofins Support Services LUX Holding SARL	100	02/12
Eurofins Resources India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	03/12
Eurofins AgroScience Services Pvt Ltd.	IN	Eurofins Agrosiences Services LUX Holding SARL	100	10/13
Eurofins Agrosience Services Srl	IT	Eurofins Agrosiences Services LUX Holding SARL	100	02/04
Eurofins Food & Feed Testing Italia Holding Srl	IT	Eurofins Food Testing LUX Holding SARL	100	07/06
Eurofins Chemical Control Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	09/06
Eurofins Biolab Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	01/07
Eurofins Qualis Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	06/07
Eurofins Environment Testing Italy Srl	IT	Eurofins Environment Testing LUX Holding SARL	100	06/08
Eurofins Product Testing Italy	IT	Eurofins Product Testing Italia Holding Srl	100	10/08
Eurofins Consulting Srl	IT	Eurofins Consulting Italia Holding Srl	100	01/12
Eurofins NSC Italia Srl	IT	Eurofins Support Services LUX Holding SARL	100	01/12
Eurofins Product Testing Italia Holding Srl	IT	Eurofins International Holdings LUX SARL	100	10/12
Eurofins Consulting Italia Holding Srl	IT	Eurofins International Holdings LUX SARL	100	10/12
Eurofins Genomics Srl	IT	Eurofins Genomics LUX Holding SARL	100	09/12
Eurofins Pivetti Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	11/12
Eurofins Pharma Services Italia Holding Srl	IT	Eurofins Pharma Services LUX Holding SARL	100	01/13
Eurofins Modulo Uno Srl	IT	Eurofins Product Testing Italia Holding Srl	100	07/12
CTP Laboratories Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	03/13
Eurofins NSC Japan KK	JP	Eurofins Support Services LUX Holding SARL	100	03/06
Eurofins Genomics KK	JP	Eurofins Genomics LUX Holding SARL	100	12/07
Eurofins Food and Product Testing Japan KK	JP	Eurofins Food Testing LUX Holding SARL	100	01/09
Eurofins DNA Synthesis KK	JP	Eurofins Genomics LUX Holding SARL	66	07/11
Eurofins Nihon Kankyo KK	JP	Eurofins Environment Testing LUX Holding SARL	100	04/12
AgriQuest Limited (Kenya)	KE	AgriQ Group BV	60	07/13
Eurofins Food Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Environment Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Pharma Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins GSC LUX SARL	LU	Eurofins International Holdings LUX SARL	100	10/06
Eurofins Agrosiences Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/07
Eurofins Product Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	04/08
Eurofins Support Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	05/10
Eurofins Genomics LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/10
Eurofins Forensics LUX Holding SARL	LU	Eurofins France Holding SAS	100	07/10
Eurofins Industrial Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	09/10
Eurofins International Holdings LUX SARL	LU	Eurofins Scientific S.E.	100	12/10
Eurofins Water Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	10/11
Eurofins Pharma Services France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Food Chemistry Testing France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Hygiène Alimentaire France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Analyses pour la Construction France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour l'Environnement France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Analyses Environnementales pour les Industriels France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Hydrologie France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Discovery Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	11/12
Eurofins International Support Services LUX SARL	LU	Eurofins Scientific S.E.	100	11/12
Eurofins Special Nutrition Testing LUX Holding SARL	LU	Eurofins Food Testing LUX Holding SARL	100	12/12
AgriQ Maroc S.A.R.L.	MA	Sica AgriQ SL	100	07/13
Eurofins Environment Testing Netherlands Holding BV	NL	Eurofins Environment Testing LUX Holding SARL	100	04/01
Eurofins Food Testing Netherlands BV	NL	Eurofins Food Testing Netherlands Holding BV	100	10/00
Eurofins Analytico BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/01
Pro Monitoring BV	NL	Eurofins Environment Testing Netherlands Holding BV	80	10/04
Eurofins Medinet BV	NL	Eurofins Pharma Services LUX Holding SARL	100	04/01
Eurofins Genomics BV	NL	Eurofins Scientific S.E.	100	06/06
C-Mark BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/11
Eurofins NSC Netherlands BV	NL	Eurofins Support Services LUX Holding SARL	100	05/11
Eurofins Food Testing Netherlands Holding BV	NL	Eurofins Food Testing LUX Holding SARL	100	05/11
Eurofins Food Testing Rotterdam BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/12
Zandbergsestraat Graauw RE Invest BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/13
Eurofins ALTIC BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/13
Eurofins Lab Zeeuws-Vlaanderen B.V.	NL	Eurofins Food Testing Netherlands Holding BV	100	01/13
Eurofins AIL BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/13
MITOX Trial Management BV	NL	Eurofins Agrosociences Services LUX Holding SARL	100	07/13
BLGG Groep BV	NL	Eurofins Food Testing Netherlands Holding BV	100	07/13
AgriQ Group BV	NL	BLGG Groep BV	100	07/13
Holding BLGG BV	NL	BLGG Groep BV	100	07/13
BLGG Agro Xpertus BV	NL	Holding BLGG BV	100	07/13
Holding CFW BV	NL	BLGG Groep BV	49	07/13
CropWorx BV	NL	Holding CFW BV	49	07/13
CropForce BV	NL	Holding CFW BV	49	07/13
Eurofins Environment Testing Norway AS	NO	Eurofins Environment Testing Norway Holding AS	100	05/06
Eurofins Environment Testing Norway Holding AS	NO	Eurofins Environment Testing LUX Holding SARL	100	09/07
Eurofins Food & Agro Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100	09/07
Eurofins Food Testing Norway Holding AS	NO	Eurofins Food Testing LUX Holding SARL	100	08/07
Eurofins Norge NSC AS	NO	Eurofins Support Services LUX Holding SARL	100	12/07
Penrose NZ Limited	NZ	Eurofins Food Testing LUX Holding SARL	100	04/12
Eurofins NZ Laboratory Services Limited	NZ	Eurofins Food Testing LUX Holding SARL	100	06/12
Eurofins ELS Limited	NZ	Eurofins Environment Testing LUX Holding SARL	100	11/12
Eurofins Agrosocience Service NZ Ltd.	NZ	Eurofins Agrosocience Services Pty Ltd.	81	07/13
Eurofins Agrosocience Testing NZ Ltd.	NZ	Eurofins Agrosocience Testing Pty Ltd.	81	07/13
Eurofins Agrosocience Services Sp. z.o.o.	PL	Eurofins Agrosociences Services LUX Holding SARL	100	01/06

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Polska Sp. z.o.o.	PL	Eurofins Food Testing LUX Holding SARL	100	07/06
Eurofins Portugal Lda	PT	Eurofins Environment Testing LUX Holding SARL	100	01/05
Eurofins Agrosience Services srl	RO	Eurofins Agrosiences Services LUX Holding SARL	100	08/09
Eurofins Agro Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	01/04
Eurofins Steins Laboratorium AB	SE	Eurofins Food Testing Sweden Holding AB	100	07/06
Eurofins Food Testing Sweden Holding AB	SE	Eurofins Food Testing LUX Holding SARL	100	09/07
Eurofins Environment Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	10/07
Eurofins Environment Testing Sweden Holding AB	SE	Eurofins Environment Testing LUX Holding SARL	100	09/07
Eurofins Food & Agro Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	10/07
Eurofins NSC Sweden AB	SE	Eurofins Support Services LUX Holding SARL	100	01/08
Eurofins Mikro Kemi AB	SE	Eurofins Pharma Services LUX Holding SARL	100	04/11
Eurofins Pegasuslab AB	SE	Eurofins Environment Testing Sweden Holding AB	100	06/12
BLGG Agro Xpertus AB	SE	Holding BLGG BV	100	07/13
Eurofins Medinet PTE. Ltd.	SG	Eurofins Pharma Services LUX Holding SARL	100	12/06
Eurofins Bel/Novamann s.r.o.	SK	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins Product Service (Thailand) Co., Ltd.	TH	Eurofins Product Testing LUX Holding SARL	100	07/08
Eurofins Turkey Gıda Analizleri Limited Sirketi	TR	Eurofins Food Testing LUX Holding SARL	100	05/12
Eurofins Panlabs Taiwan Ltd.	TW	Eurofins Panlabs Inc.	100	10/12
Eurofins NSC UK & Ireland Limited	UK	Eurofins Support Services LUX Holding SARL	100	01/06
Eurofins Food Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	01/04
Public Analyst Scientific Services (NI) Limited	UK	Eurofins Food Testing UK Holding Limited	100	09/04
Eurofins Genetic Services Limited	UK	Eurofins Genomics LUX Holding SARL	100	07/05
Eurofins Environmental Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/06
Eurofins Food Testing UK Holding Limited	UK	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Agrosience Services Limited	UK	Eurofins Agrosiences Services LUX Holding SARL	100	04/07
Eurofins Product Testing Services Limited	UK	Eurofins Product Testing LUX Holding SARL	100	10/10
Public Analyst Scientific Services Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/11
Romsey Real Estate Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/12
Eurofins Agrosience Services Chem Limited	UK	Eurofins Agrosiences Services LUX Holding SARL	100	12/12
Eurofins Newtec Laboratories Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/13
Eurofins Pharma Bioanalysis Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARL	100	09/13
Eurofins Pharma Discovery Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARL	100	09/13
Eurofins Scientific Inc.	US	Eurofins Food Testing LUX Holding SARL	100	01/92
Eurofins Central Laboratory LLC	US	Eurofins Lancaster Laboratories Inc.	100	06/06
Eurofins Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	04/07
Eurofins MWG Operon LLC	US	Eurofins Genomics Inc.	100	12/07
Eurofins Genomics LLC	US	Eurofins Genomics LUX Holding SARL	100	10/07
Eurofins Food Testing US Holdings Inc.	US	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins STA Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	07/08
Eurofins Agrosience Services Inc.	US	Eurofins Agrosiences Services LUX Holding SARL	100	01/07
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	06/09
Eurofins NSC US Inc.	US	Eurofins Support Services LUX Holding SARL	100	10/10

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Pharma US Holdings II Inc.	US	Eurofins Pharma Services LUX Holding SARL	100	01/11
Eurofins Lancaster Laboratories Inc.	US	Eurofins Pharma US Holdings II Inc.	100	04/11
Eurofins DQCI LLC	US	Eurofins Food Testing US Holdings Inc.	100	10/11
Eurofins Environment Testing US Holdings Inc.	US	Eurofins Environment Testing LUX Holding SARL	100	11/12
Eurofins Air Toxics, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	01/12
Eurofins QTA Inc.	US	Eurofins Food Testing US Holdings Inc.	100	02/12
Eurofins Eaton Analytical Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	07/12
Eurofins Frontier Global Sciences Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	09/12
Eurofins Panlabs Inc.	US	Eurofins Pharma US Holdings II Inc.	100	10/12
Eurofins Lancaster Laboratories Environmental LLC	US	Eurofins Lancaster Laboratories Inc.	100	07/13
Eurofins Pharma BioAnalytics Services US, Inc.	US	Eurofins Discovery Services LUX Holding SARL	100	01/13

\* Please note that for confidentiality reasons the information provided above is not comprehensive.

### Holding CFW BV and its subsidiaries (CropWorx BV and CropForce BV)

The Company does not consolidate subsidiaries if controlling less than half of the voting rights, with one exception in 2013 and 2014 linked to the acquisition in July 2013 of BLGG Groep BV. BLGG Groep BV owns 49% of the total of 18,000 regular shares of Holding CFW BV plus 2 Priority Shares, which mainly gives BLGG Groep BV the right to give a binding proposal for the assignment of the Director(s) of Holding CFW BV and the right to change the Director(s). The remaining 51% of shares of Holding CFW BV are owned by a holding company controlled by one person, who is also the Managing Director of Holding CFW BV Company. The latter and its subsidiaries nearly exclusively provide services to the BLGG Group such as payroll and HR services, facility management of the BLGG premises and car-leasing management.

The following analysis was then performed in compliance with the three factors as stated by IFRS 10:

- BLGG Groep BV has the power over the investee as it owns the power rights to appoint or remove the majority of the members of the Board of Directors as described above;
- BLGG Groep BV is exposed to variable returns from its involvement with the investee through payment of dividends;
- BLGG Groep BV has the ability to use its power to affect the amount of returns as CFW BV is highly dependent on the service agreements described above which represent more than 98% of its business (EUR 1.906k). CFW BV's going concern is then impacted by decisions taken by BLGG Groep BV.

Based on this analysis per IFRS 10, the Company considers it owns control over Holding CFW BV and its subsidiaries CropWorx BV and CropForce BV and has consequently decided to fully consolidate this sub-group.

### 5.3 Other subsidiaries undertakings

The following companies are not fully consolidated:

Company*	Country ISO Code	Subsidiary of :	% of ownership	Method of consolidation
Z.F.D. GmbH	DE	Ökometric GmbH	33	Equity method
Fasmac Co. Ltd.	JP	Eurofins Genomics LUX Holding SARL	41	Equity method
Eurofins Laboratoire Coeur de France SAEML	FR	Eurofins Hygiène Alimentaire France Holding SAS	49	Equity method

\* Please note that for confidentiality reasons the information provided above is not comprehensive.

There are no quoted prices available for the companies consolidated by equity method due to their small size (in annual revenues and assets). These three companies are considered not to be material. The total annual sales of these 3 companies are less than EUR 15m in aggregate.

## 2 Company Auditor's Report



### Audit report

To the Shareholders of  
**Eurofins Scientific SE**

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### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Eurofins Scientific SE (the “Company”) and its subsidiaries (together the “Group”), which comprise the consolidated balance sheet as of 31 December 2014, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Board of Directors' responsibility for the consolidated financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the “Réviseur d'entreprises agréé”*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the “Réviseur d'entreprises agréé” including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the “Réviseur d'entreprises agréé” considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

The accompanying Corporate Governance Statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 26 February 2015

A handwritten signature in black ink, appearing to read 'G. Vanderweyen', with a horizontal line at the end.

Gilles Vanderweyen

### 3 Annual accounts - EUROFINS SCIENTIFIC S.E.

#### Profit and Loss Account

January 1, 2014 to December 31, 2014

EUR Thousands	Notes	2014	2013
<b>Net turnover</b>	4.1	<b>573</b>	<b>525</b>
Reversal of value adjustments			
a) on current assets		-	-
Other operating income	4.1	633	1,605
Income from financial fixed assets			
a) Derived from affiliated undertakings	4.2, 3.3	50,814	66,870
Income from financial current assets			
b) other income from financial current assets		-	-
Other interests and other financial income:			
a) Derived from affiliated undertakings		171	39
b) other interests and financial income		1,370	300
c) financial instruments	3.15	2,757	-
<b>Total Income</b>		<b>56,318</b>	<b>69,340</b>
Use of merchandise, raw materials and consumables materials		294	255
Other external charges		1,822	2,569
Salaries and wages		197	196
Social security on salaries and wages		89	94
Staff costs		286	290
Value adjustments	3.1, 3.2		
a) on formation expenses and on tangible and intangible fixed assets		140	142
Other operating charges		53	97
Value adjustments and fair value adjustments on financial fixed assets	3.3	1,373	274
Interest and other financial charges:	4.3		
a) concerning affiliated undertakings		57	32
b) other interests and similar financial charges		52,326	37,401
c) financial instruments	2.19 / 3.15	-	15,119
Extraordinary charges	4.4	5	332
Income Tax	2.14, 4.5	-6,765	-4,370
<b>Profit for the financial year</b>		<b>6,727</b>	<b>17,198</b>
<b>Total Charges</b>		<b>56,318</b>	<b>69,340</b>

The accompanying notes form an integral part of the annual accounts.

## Balance Sheet

As of December 31, 2014

EUR Thousands	Notes	2014	2013
<b>Fixed assets</b>			
Concessions, patents, licences, trademarks and similar right assets		1	1
Goodwill		265	397
Intangible fixed assets	2.2 / 3.1	266	398
Lands and buildings		-	-
Other fixtures and fittings tools and equipment		-	8
Tangible fixed assets	2.3 / 3.2	-	8
Shares in affiliates undertakings		1,251,881	936,831
Amounts owed by affiliated undertakings		46,038	40,608
Other financial assets		3	3
Financial fixed assets	2.4 / 3.3	1,297,922	977,442
		<b>1,298,188</b>	<b>977,848</b>
<b>Current assets</b>			
Inventories		-	-
Debtors			
Trade receivables			
a) becoming due and payable within the year	2.5	389	623
Amounts owed by affiliated undertakings			
a) becoming due and payable within the year	3.4	2,411	5,392
Other receivables			
a) becoming due and payable within the year		4,202	3,746
		<b>7,002</b>	<b>9,761</b>
Transferable securities	2.6 / 3.5	68,157	176,078
Cash at bank, cash in postal cheque account, cheques and cash in hand	2.6	1,352	463
		<b>69,509</b>	<b>176,542</b>
Prepayments	2.7 / 3.6	<b>6,081</b>	<b>6,849</b>
<b>Total Assets</b>		<b>1,380,780</b>	<b>1,171,000</b>
<b>Capital and reserves</b>			
	3.7		
Subscribed Capital		1,520	1,507
Share premium and similar premiums		109,224	102,356
Reserves			
1. Legal reserve		151	149
2. Other reserves		631	631
Profit brought forward		175,157	176,049
<b>Profit for the financial year</b>		<b>6,727</b>	<b>17,198</b>
		<b>293,410</b>	<b>297,890</b>
<b>Subordinated debts</b>	2.11 / 3.9	<b>319,216</b>	<b>159,608</b>
<b>Provisions</b>			
Provisions for pensions and similar obligations	2.8 / 3.8	42	31
Provisions for pensions and similar obligations	2.8 / 3.8	36	-
		<b>78</b>	<b>31</b>
<b>Non-subordinated debts</b>			
Non convertible loans	2.12 / 3.10 / 3.12		
a) Becoming due and payable within one year		59,668	951
b) Becoming due and payable after more than one year		417,331	475,996
Amounts owed to credit institutions	2.13 / 3.11 / 3.12		
a) Becoming due and payable within one year		4,199	4,282
b) Becoming due and payable after more than one year		211,185	170,000
Financial instruments	2.19 / 3.15	12,362	15,119
Trade creditors	2.10 / 3.12		
a) Becoming due and payable within one year		830	914
Amounts owed to affiliated undertakings	2.13 / 3.12, 3.13		
a) Becoming due and payable within one year		49,228	44,871
Tax and social security debts	3.12		
a) Tax debts		52	865
Other creditors	3.12	58	55
		<b>754,913</b>	<b>713,053</b>
Deferred income	2.9 / 3.14	<b>13,163</b>	<b>418</b>
<b>Total Liabilities</b>		<b>1,380,780</b>	<b>1,171,000</b>

The accompanying notes form an integral part of the annual accounts.

## Notes to the statutory financial statements

### NOTE 1 – GENERAL INFORMATION

Eurofins Scientific S.E. (“Eurofins” or the “Company”) is the ultimate parent company of the Eurofins Group (the “Group”) which owns and finances, either directly or indirectly, its subsidiaries throughout the world.

Eurofins Group is the world leader in food and pharmaceutical products testing. It is also number one in the world in the field of environmental laboratory services and one of the global market leaders in agrosience, genomics, discovery pharmacology and central laboratory services.

The Group operates around 200 laboratories across 36 countries.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN Code FR0000038259 (ticker ERF). The Company head-office is at 23 Val Fleuri, L1526 Luxembourg, Grand Duchy of Luxembourg and the Company is registered with the Luxembourg Register of Commerce under the number B 167 775.

The Company has a French branch located in Nantes, France, registered with the French Register of Commerce under the number RCS B 350 807 947. The main purpose of the branch is the management and administration of French subsidiaries.

The notes below are part of the financial accounts for the year closed the December 31, 2014 for a period of twelve months, from January 1, 2014 to December 31, 2014.

These statutory financial statements have been adopted for issue by the Board of Directors on February 26, 2015 and will be submitted to the Shareholder's Meeting for approval.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 – Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements (Luxembourg GAAPs) under the historical cost convention.

The principal accounting policies and valuation rules applied in the preparation of these statutory financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in the assumptions may have a significant impact on the financial statements in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations and future events that are believed to be reasonable under the circumstances.

#### 2.2 – Intangible assets

##### Software and patents

All capitalised software licenses are purchased externally and are booked at acquisition cost.

Amortisation on intangibles is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Software licenses	1-3 years
Patents	5 years

##### Goodwill

The goodwill corresponds to the value generated by the merger of Eurofins S.A. with Eurofins Scientific S.E. on July 28, 1997 with retroactive application to January 1, 1997. Following the 1<sup>st</sup> application of the Luxembourg GAAPs, goodwill is amortised over an estimated useful life of five years.

This goodwill has been rented to the French subsidiary Eurofins Analytics France SAS from January 1, 2001.

#### 2.3 – Tangible assets

Tangible assets are stated at acquisition cost (acquisition price and costs related to the acquisition).

Depreciation on tangible assets is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Leaseholds improvements	5-10 years *
Machinery and laboratory equipments	5 years
Office equipment	3 years
Vehicles	5 years
Office furniture	5 years

\* with a maximum corresponding to the remaining lease period.

#### 2.4 – Financial fixed assets

##### Shares in affiliated undertakings

Shares in affiliated undertakings are recorded at acquisition cost including the expenses incidental thereto and are valued at the lower of acquisition cost or the market value.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired (see Note 2.5) such as the holding period of the investment, the current profitability and the outlook of the financial asset. The market value is the higher of an asset's fair value less costs to sell and value in use.

The asset's fair value less costs to sell of the shares in affiliated undertakings corresponds to an estimate based on financial multiples calculated on:

- the average revenues of the last two years ;
- the average adjusted EBITDA & EBITAS over the last two years.

The financial multiples are validated annually by comparison with the valuation and the price of take-overs of comparable companies.

The value in use of the shares in affiliated undertakings is estimated by the method of discounted cash flows using an appropriate discount rate (WACC). The determination of the value in use is done using reasonable assumptions (WACC, organic growth), based on a projected five years period. The valuation includes the net cash flows from disposal at the end of the useful life (terminal value).

##### Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings are recorded at nominal value and include financing to related companies. A

value adjustment is recorded when the recovery value of the amounts owed is lower than the nominal value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### **Other financial assets**

Other financial assets are stated at acquisition cost. At the end of each period, a depreciation is recorded when the fair market value is lower than the net book value.

#### **2.5 – Trade receivables**

Trade receivables are valued at their nominal value and reduced whenever realisation of the full value is unlikely to occur, in accordance with the principle of prudence. Provisions for bad debts are all specific and do not include any general provision based on an estimated calculation.

Trade receivables include the income accrued but not invoiced nor received prior to the closing date.

#### **2.6 – Cash at bank, cash in postal cheque account, cheques and cash in hand / Transferable Securities**

Cash at bank, cash in postal cheque account, cheques and cash in hand are recorded at nominal value.

The transferable securities are recorded in the Balance Sheet at their acquisition costs excluding transaction costs. A provision is booked if the realisable value (final published value) is less than the acquisition price.

#### **2.7 – Prepayments**

Prepayments are related to operating activities.

The costs related to the issuance of the non convertible loans and the amounts owed to credit institutions issued are amortised over the repayment period of each respective loan.

The effective financial costs including these expenses correspond to the normal market conditions for companies with a similar risk.

#### **2.8 – Provisions**

##### **Provisions for pensions and similar obligations**

The Company participates in a retirement benefit obligation plan for the French branch as from 2011. The retirement benefit obligations are measured using the aggregate cost method and are taking into account the recommendations of independent qualified actuaries.

The provision recognised in the balance sheet is the present value of the defined benefit obligation at the balance sheet date. The Company recognises actuarial gains and losses in the profit or loss account.

##### **Other provisions**

Other provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

#### **2.9 – Deferred income**

Deferred income includes services invoiced during the period, which have not been delivered at the closing date. They are related to contracts for analysis and consultancy spread over several years or covering both periods N and N+1.

Deferred income includes also the premium paid by the subordinated debts holders in July 2014.

#### **2.10 – Trade creditors**

Trade creditors are valued at their nominal value. Accrued expenses are non-invoiced charges at the closing but related to the current period.

#### **2.11 – Subordinated debts**

The subordinated debts correspond to a subordinated hybrid instrument recorded at its nominal value.

The fixed annual coupon is recorded in interest and other financial charges.

#### **2.12 – Non convertible loans**

The non convertible loans correspond to the OBSAAR bonds (French acronym for “*Obligations à bons de souscription et/ou d’acquisition d’actions remboursables*”) and the Euro Bonds. They are recorded in the balance sheet at their nominal value increased of interest accruals.

#### **2.13 – Amounts owed to credit institutions**

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

#### **2.14 – Income tax**

The Company Eurofins Scientific S.E. is subject to Luxembourg income taxes.

From January 1, 2002, the French branch of Eurofins Scientific S.E. has opted for a tax unity with the French subsidiaries controlled at more than 95% as authorized by the article 223 A of the Code Général des Impôts. In the French branch, the income tax for the period recorded in the Income Statement is the sum of:

- The income tax income, equal to the sum of income tax expenses accrued by the profitable French subsidiaries,
- The income tax expense from the positive tax unity result;
- The income tax expense corresponding to an indemnity in case of exit of the tax unity for the tax losses of the subsidiary used during the time of its participation to the tax unity;
- And any adjustments in relation to income taxes related to previous periods.

#### **2.15 – Derivative financial instruments**

The Company may enter into derivative financial instruments such as interest rate swaps. At each balance sheet date, gains and losses are recognised in the Profit or Loss Account when realised.

#### **2.16 – Foreign currency translation**

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Foreign cash at bank is translated in Euros at the exchange rate effective at Balance Sheet date. Exchange losses and gains are recorded in the Profit and Loss Account of the period.

Transactions related to balances (accounts receivable, accounts payable and borrowings) are translated and booked in Euros using the average exchange rate of the previous month. At closing date, all balance sheet transactions are converted using the exchange rate at closing date. Unrealised losses are recorded in the Profit and Loss Account of the period.

## **2.17 – Consolidation**

The Company, as the parent company of the Eurofins Group, prepares consolidated financial statements, which are published in accordance to the provisions of Luxembourg law.

## **2.18 – Share-based compensation**

The Company operates a number of equity settled, share-based compensation plans. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. No expense is charged to the profit and loss account over the vesting period.

## **2.19 – Financial Instruments**

### **Exposure to currency exchange risk**

The Company does not hedge its foreign exchange currency exposure.

### **Exposure to interest rate risk**

In order to hedge the Company's exposure to interest rate fluctuations particularly related to its 2010 OBSAAR bonds and part of its 2011 Schuldschein loan, the Company has concluded hedging contracts in order to swap its floating interest rate against a fixed rate. These contracts are either with immediate or deferred effect.

Since January 1, 2013, the Company has recorded unrealised losses on financial instruments in the Profit and Loss Account of the period.

### NOTE 3 – NOTES RELATED TO THE BALANCE SHEET

#### 3.1 – Intangible fixed assets

The movements for the year are as follows:

EUR Thousands	Concessions, patents, licences, trademarks and similar right assets	Goodwill acquired for consideration	Payment on account and intangible assets under development	Total
<b>Gross book value - opening balance</b>	176	662	-	<b>838</b>
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
Transfers for the year	-	-	-	-
<b>Gross book value - closing balance</b>	176	662	-	<b>838</b>
<b>Accumulated value adjustment - opening balance</b>	175	265	-	<b>440</b>
Allocations for the year	-	132	-	<b>132</b>
Reversals for the year	-	-	-	-
Transfers for the year	-	-	-	-
<b>Accumulated value adjustment - closing balance</b>	175	397	-	<b>572</b>
Net book value - closing balance	1	265	-	<b>266</b>
Net book value - opening balance	1	397	-	<b>398</b>

#### 3.2 – Tangible fixed assets

The movements for the year are as follows:

EUR Thousands	Land and buildings	Plant and machinery	Other fixtures and fittings tools and equipment	Total
<b>Gross book value - opening balance</b>	51	586	140	<b>777</b>
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
Transfers for the year	-	-	-	-
<b>Gross book value - closing balance</b>	51	586	140	<b>777</b>
<b>Accumulated value adjustment- opening balance</b>	51	586	132	<b>769</b>
Allocations for the year	-	-	8	<b>8</b>
Reversals for the year	-	-	-	-
Transfers for the year	-	-	-	-
<b>Accumulated value adjustment -closing balance</b>	51	586	140	<b>777</b>
Net book value - closing balance	-	-	-	-
Net book value - opening balance	-	-	8	<b>8</b>

### 3.3 – Financial assets

EUR Thousands	Opening	Additions	Disposals	Closing
<b>Cost</b>				
Shares in affiliated undertakings	945,706	314,640	-98	1,260,248
Amounts owed by affiliated undertakings (Note 3.4)	44,062	16,904	-10,826	50,140
Other financial assets	3	-	-	3
<b>Total</b>	<b>989,771</b>	<b>331,544</b>	<b>-10,924</b>	<b>1,310,391</b>
<b>Value adjustment</b>				
Shares in affiliated undertakings	8,875	725	-1,233	8,367
Amounts owed by affiliated undertakings	3,454	648	-	4,102
<b>Total</b>	<b>12,329</b>	<b>1,373</b>	<b>-1,233</b>	<b>12,469</b>
<b>Net book value</b>	<b>977,442</b>	<b>330,171</b>	<b>-9,691</b>	<b>1,297,922</b>

Capital increases were carried out in the following subsidiaries during 2014 by cash contribution:

- Eurofins GSC Finance NV for EUR 179,000K,
- Eurofins International Holdings LUX S.à r.l. for EUR 134,020K,
- Eurofins 1. Verwaltungsgesellschaft GmbH for EUR 700K,
- Eurofins Product Service GmbH for EUR 920K.

The companies Eurofins GSC France SAS and Eurofins Scientific Services NV have been sold to Eurofins Support Services Lux S.à r.l for a value of EUR 991K and EUR 37K respectively with a gain of EUR 931K (net book value: EUR 98K).

**Value adjustment:** As of December 31, 2014, depreciation on subsidiaries stands at:

- Eurofins Product Testing Verwaltungs GmbH for EUR 484K (EUR 1,375K as of December 31, 2013),
- Eurofins Product Service GmbH for EUR 7,158K (EUR 7,500K as of December 31, 2013),
- Eurofins 1. Verwaltungsgesellschaft GmbH for EUR 725K (EUR 0K as of December 31, 2013).

At the balance sheet date, the Board of Directors has assessed the fair value of those financial assets and has reviewed the value adjustment if necessary.

#### Shares in affiliated undertakings

EUR Thousands	Registered office	Book value of capital held		% of capital held	Net turnover (Unaudited)	Result for the financial year (Unaudited)	Net equity (Unaudited)	Income from financial fixed assets (Unaudited)
		Gross	Net					
Eurofins Product Testing Verwaltungs GmbH	Stenzelring 14b, DE-21107 Hamburg	1,375	891	100	-	274	1,165	-
Eurofins 1. Verwaltungsgesellschaft GmbH	Stenzelring 14b, DE-21107 Hamburg	725	-	100	-	-5	16	-
Eurofins Product Service GmbH	Storkower Str. 38c, DE-15526 Reichenwalde	8,420	1,262	100	3,286	85	1,346	-
Eurofins France Holding SAS	Rue Pierre Adolphe Bobierre, 44000 Nantes	178,901	178,901	100	-	27,660	206,164	-
Eurofins GSC Finance NV	Mechelsesteenweg 455, BE-1950 Kraainem	468,529	468,529	100	-	19,118	511,187	10,000
Eurofins Genomics BV	Bergschot 71, NL-4817PA Breda	-	-	100	-	3,925	15,953	13,650
Eurofins International Holdings LUX S.à r.l.	23 Val Fleuri, Grand Duchy of Luxembourg	602,285	602,285	100	-	31,979	701,144	25,000
Eurofins International Support Services LUX S.à r.l.	23 Val Fleuri, Grand Duchy of Luxembourg	13	13	100	-	148	337	-
		1,260,248	1,251,881					48,650

The information is based on the Balance Sheet at the December 31, 2014.

### Amounts owed by affiliated undertakings

EUR Thousands	2014	2013
Eurofins International Holdings LUX S.à r.l.	10,429	19
Eurofins GSC Finance NV	3,531	14,339
Eurofins Genomics BV	1,050	1,050
Eurofins France Holding SAS	30,913	25,200
Direct ownership	45,923	40,608
MWG Biotech AG	115	-
Eurofins Viralliance Inc.	4,102	3,454
Indirect ownership	4,217	3,454
Total (Note 3.3)	50,140	44,062

Amounts owed by affiliated undertakings are mainly related to cash advances to finance intercompany loans to the subsidiaries (Eurofins GSC Finance NV) or acquisitions of subsidiaries (Eurofins France Holding SAS/ Eurofins International Holdings LUX S.à r.l.).

Amounts owed by Eurofins Viralliance Inc. are fully impaired at the end of December 2014 (EUR 4,102K) and 2013 (EUR 3,454K).

### 3.4 – Amounts owed by affiliated undertakings (current assets)

Amounts owed by affiliated undertakings (receivables falling due in one year or less) are mainly related to the cash pooling with Eurofins Hygiène Alimentaire France Holding SAS, dividends to be received (Eurofins GSC Finance NV) and the current account with the French subsidiaries related to the fiscal unity.

**Treasury convention:** Eurofins Scientific S.E. signed with French subsidiaries a Cash Pool convention, which started from October 1, 2000. The term of this contract is not determined.

The applicable rates during the year 2014 are as follows:

- Credit position EURIBOR 1 month - 0.50 % (floored at 0%)
- Debit position EURIBOR 1 month + 0.50 %

EUR Thousands	2014	2013
Eurofins GSC Finance NV	1,847	4,079
Eurofins International Support Services LUX S.à r.l.	-	162
Total short term advances	1,847	4,241
Debtors	564	1,151
<b>Total</b>	<b>2,411</b>	<b>5,392</b>

### 3.5 – Transferable securities

EUR Thousands	2014	2013
Transferable securities	68,157	176,078

In 2014, the transferable securities consist of money market funds as well as interest bearing accounts and deposit certificates in Euros.

### 3.6 – Prepayments

#### 3.6.1 – Prepayments

EUR Thousands	2014	2013
Prepayments	15	-

#### 3.6.2 – Deferred charges

EUR Thousand	2014	2013
Deferred charges	6,066	6,849

EUR Thousand	2014
At beginning of the year	6,849
Issuance costs	839
Amortisation	-1,622
At end of the year	6,066

Issuance costs are mainly related to the subordinated debts issued in 2013 and 2014.

### 3.7 – Equity

The movements for the year are as follows:

EUR Thousands	Subscribed capital	Share premium	Legal reserve	Other reserves	Profit brought forward	Profit for the financial year	Total
<b>At beginning of the year</b>	<b>1,507</b>	<b>102,356</b>	<b>149</b>	<b>631</b>	<b>176,049</b>	<b>17,198</b>	<b>297,890</b>
Allocation of previous year's profit	-	-	2	-	17,196	-17,198	-
Dividend	-	-	-	-	-18,088	-	-18,088
Share capital and share premium increase	13	6,868	-	-	-	-	6,881
Profit for the financial year	-	-	-	-	-	6,727	6,727
<b>At end of the year</b>	<b>1,520</b>	<b>109,224</b>	<b>151</b>	<b>631</b>	<b>175,157</b>	<b>6,727</b>	<b>293,410</b>

Shareholder's equity increased by EUR 6,881K through:

- exercise of stock options by employees (130,916 new shares have been issued),
- 220 new shares issued from exercise of BSAAR.

The profit from 2013 (EUR 17,198K) has been allocated as follows:

- EUR 2K to legal reserve;
- EUR 17,196K as dividends.

Additionally, an amount of EUR 892K has been taken out of retained earnings in order to distribute a dividend of 1.20 EUR per share for an amount of EUR 18,088K. Retained earnings stand at EUR 175,157K at the end of December 2014.

Detail of the shares outstanding:

Date	Number of Shares	Nominal value	TOTAL (in EUR)
At beginning of the year	15,073,311	0.10 EUR	1,507,331.10
Shares issued	131,136	0.10 EUR	13,113.60
At end of the year	15,204,447	0.10 EUR	1,520,444.70

### Stock option plans

Stock options are granted to directors and to employees. Movements in the number of share options outstanding are as follows:

Share options	2014	2013
At beginning of the year	1,009,626	1,043,645
Options granted *	120,950	139,065
Options exercised	-130,916	-135,619
Options expired	-62,460	-37,465
<b>At end of the year</b>	<b>937,200</b>	<b>1,009,626</b>

\* Under conditions (strike price, date of exercise, etc.) of new option plans.

As at December 31, 2014, 937,200 stock options awarded are still outstanding. Further details can be found in the "Management Report".

### BSAAR warrants

The BSAAR warrants have been mainly subscribed by the managers of the Group. Movements in the number of shares to be possibly issued upon exercise of BSAAR warrants are as follows:

In potential new shares	2014	2013
At beginning of the period	16,806	74,396
BSAAR exercised	-220	-56,342
BSAAR forfeited	-	-1,248
At end of the period	16,586	16,806

### 2014 BSA Leaders Warrants

Upon decision and authorization granted by the board of directors of June 19, 2014, the Managing Director of the Company following a decision dated of July 1, 2014 has decided to issue up to 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58.

The subscription price was set at EUR 18.15 per 2014 BSA Leaders Warrant.

2014 BSA Leaders Warrants' holders will have the option to exercise their 2014 BSA Leaders Warrants at any time starting 4 years from the date of subscription starting July 1, 2018 until June 30, 2022 inclusive.

### Partial and optional acquisition price payments in Eurofins shares

At December 31, 2014, the overall number of Eurofins shares potentially deliverable is estimated at 0 share.

### Double voting rights

Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However, a double voting right is allotted to all fully paid-up shares whose nominal registration is proven, for at least three years, in the name of the same shareholder. At December 31, 2014, 6,532,666 shares have double voting rights and the total number of voting rights amounts to 21,737,113 shares.

### Own shares

As at December 31, 2014, the Company does not own any of its shares (same as of December 31, 2013).

### Legal reserves

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals to 10% of the subscribed share capital. This reserve may not be distributed.

### 3.8 – Provisions

EUR Thousands	Opening	Additions	Closing
Retirement benefit obligation	31	11	42
Other provisions	-	36	36
<b>Total provisions</b>	<b>31</b>	<b>47</b>	<b>78</b>

### 3.9 – Subordinated debts

EUR Thousands	2014	2013
Nominal amount (Note 2.11)	300,000	150,000
Interest due	19,216	9,608
Total	319,216	159,608

In May 2007, the Company issued subordinated hybrid debt for a par value of EUR 100m. The instrument used to bear a fixed coupon of 8.081% for the first seven years corresponding to a spread of 370 basis points over the 7 year mid-swap rate. The instrument used to have a perpetual maturity but was callable at par by Eurofins in May 2014. The

instrument was listed on the Stuttgart Freiverkehr (unregulated) market (initially Frankfurt).

In February 2011, the Company has extended its subordinated hybrid instrument originally issued in May 2007 to EUR 150m to optimize its balance sheet and allow it to respond swiftly to any potential compelling acquisition opportunities. The instrument used to bear a fixed coupon of 8.081% and was callable at par by Eurofins in May 2014.

In January 2013, Eurofins issued a new EUR 150m hybrid instrument to refinance its existing EUR 150m hybrid capital. Eurofins has also re-purchased the existing hybrid instrument (ISIN FR0010474627) for a nominal amount of EUR 150m. The redemption premium had a one-off effect of EUR 7.2m recorded under "Subordinated debts expenses" (Note 4.3). The structure of the new issue is similar to the previous hybrid instrument, with a perpetual maturity, but callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years (against 8.081% for the previous one), payable annually in January if not deferred.

In July 2014, Eurofins has extended the size of its existing hybrid instrument originally issued in January 2013, bringing the overall size of Eurofins' Hybrid capital up to EUR 300m. In cash terms, the transaction raised EUR 169m (EUR 164.2m in gross proceeds plus EUR 4.8m on accrued coupon). Other terms and conditions of the original deeply subordinated instrument issued in January 2013 remain unchanged.

### 3.10 – Non convertible loans

#### OBSAAR bonds

EUR Thousands	2014	2013
Nominal amount (Note 2.12)	175,996	175,996
Interest due	66	40
Total	176,062	176,036

In June 2010, the Company issued OBSAAR bonds (French acronym for "*Obligations à bons de souscription et/ou d'acquisition d'actions remboursables*") for a nominal amount of EUR 176m to increase the average maturity of its financial debt and to finance the development of its laboratory network. The principal characteristics are as follows:

- 295,990 Bonds, in denominations of EUR594.60 each;
- Interest rate: Euribor 3 months + 1.75% p.a. payable on a quarterly basis;
- Redemption: in three equal tranches on June 29, 2015, June 29, 2016 and June 29, 2017;
- 1 warrant (BSAAR) is attached to each bond (Obligation), ie. a total of 295,990 warrants, 2 warrants giving the right to subscribe or purchase 1 new or existing Eurofins Scientific S.E. share at a price of EUR40 per share. Exercise of the warrants therefore potentially leads to the issue of a maximum of 147,995 shares, ie. a maximum dilution of 1.04% of the existing number of outstanding shares at the time of the OBSAAR issue.
- The bonds are listed on Euronext Paris under ISIN FR0010891770.

#### Euro Bond

EUR Thousand	2014	2013
Nominal amount (Note 2.12)	300,000	300,000
Interests due	937	911
Total	300,937	300,911

In November 2013, Eurofins issued a Euro bond for a nominal value of EUR 300m. The bonds have a five-year maturity, and pay a fixed annual interest rate of 3.125%.

The bonds are listed on Luxembourg Stock Exchange under ISIN XS0996772876.

### 3.11 – Amounts owed to credit institutions

The amounts owed to credit institutions are allocated like this:

EUR Thousands	2014	2013
Borrowings (Note 2.13)	41,265	-
Schuldschein loan	173,492	173,542
Bank overdrafts	627	740
<b>Total</b>	<b>215,384</b>	<b>174,282</b>

At the end of July 2011 Eurofins concluded a EUR 170m Schuldschein loan ("Certificate of Indebtedness"). The issue carries bullet maturities of 5 and 7 years, with interest rates based on Euribor 6 months (variable tranches) or 5 and 7 years mid-swap rates (fixed tranches) and a margin of 1.80% p.a. or 2.20% p.a. respectively.

In 2014, Eurofins used credit lines in US Dollars with two banks for an amount of EUR 41,186K.

### 3.12 – Maturity of subordinated and non subordinated liabilities

EUR Thousands	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Subordinated debts	319,217	19,217	-	300,000
OBSAAR bonds	176,062	58,731	117,331	-
Euro Bond	300,937	937	300,000	-
Borrowings	41,265	80	41,185	-
Schuldschein Loan	173,492	3,492	170,000	-
Bank overdrafts	627	627	-	-
Trade creditors	830	830	-	-
Amounts owed to affiliated undertakings	49,228	49,228	-	-
Creditors for tax and social security	52	52	-	-
Other creditors	58	58	-	-
<b>Total</b>	<b>1,061,768</b>	<b>133,252</b>	<b>628,516</b>	<b>300,000</b>

### 3.13 - Amounts owed to affiliated undertakings

EUR Thousands	2014	2013
Eurofins International Holdings Lux S.à r.l.	-	2,259
Eurofins GSC Finance NV	647	1,427
MWG Biotech AG	15,762	18,379
Eurofins International Support Services LUX S.à r.l.	4,114	2,189
Eurofins Hygiene Alimentaire France Holding SAS (cash pooling)	27,540	17,754
Total short term loans	48,063	42,008
Creditors	1,165	2,863
<b>Total</b>	<b>49,228</b>	<b>44,871</b>

### 3.14 – Deferred income

EUR Thousands	2014	2013
Deferred income	177	418
Premium received on subordinated debts	12,986	-
<b>Total</b>	<b>13,163</b>	<b>418</b>

EUR Thousand	2014
Premium received	14,146
Amortisation	-1,160
At end of the year	12,986

The premium paid by the subordinated debts holders in July 2014 is amortised straight-line until the call date in January 2020.

### 3.15 – Financial instruments

EUR Thousands	2014	2013
Financial instruments	12,362	15,119

The nominal value hedged by the interest rate hedging contracts amounts to EUR 217.5m as at December 31, 2014.

In addition, the Company concluded interest rate hedging contracts with deferred effective date for the period December 2014 to July 2018 for a total nominal amount comprised between EUR 10m and EUR 217.5m.

At December 31, 2013, the fair value of these swap contracts was estimated at a loss of EUR 15,119K recognised in the Profit and Loss Account.

The fair value as at December 31, 2014 of these swap contracts is estimated at a loss of EUR 12,362K. A gain of EUR 2.757K has been recognised in the Profit and Loss Account in 2014.

## NOTE 4 - NOTES RELATED TO THE INCOME STATEMENT

### 4.1 – Net turnover and other operating income

Net turnover is mainly generated by the sale of SNIF-NMR systems (Site-Specific Natural Isotope Fractionation-Nuclear Magnetic Resonance).

Other operating income relates to lease revenues to Eurofins Analytics France SAS and invoices for Group Support Services to Eurofins subsidiaries or Group Service Companies.

Other external charges related mainly to Group Support Services costs invoiced by Group Service Companies.

### 4.2 – Income from financial fixed assets

Income from financial fixed assets comes from dividends received from the Company's subsidiaries, gain on sale of Shares in affiliated undertakings and reversal on value adjustments of shares (Note 3.3).

EUR Thousands	2014	2013
Dividends	48,650	66,870
Reversal on value adjustments of shares	1,233	-
Gain on sale of Shares	931	-
<b>Total</b>	<b>50,814</b>	<b>66,870</b>

### 4.3 – Interests and other financial charges

The interests and other financial charges are composed of:

EUR Thousands	2014	2013
Interest on investment related debts	57	32
Interest expenses on borrowings	1,923	1,484
Bonds interests	16,924	7,828
Schuldschein interests	7,940	7,577
Subordinated debt expenses	14,115	19,048
Short term interests	53	13
Net foreign exchange loss	9,741	408
Financial expense on pension	8	1
Provision for deferred loan commissions expenses	1,622	1,042
Financial Instruments	-	15,119
<b>Total</b>	<b>52,383</b>	<b>52,552</b>

The net foreign exchange loss is mainly related to loans in US dollars with the strong increase of the US Dollar against Euro.

### 4.4 – Extraordinary items

EUR Thousands	2014	2013
French tax unity exit indemnity paid or received to/by the subsidiaries	-	-111
Actuarial losses	-	-8
Other exceptional expenses	-5	-213
<b>Exceptional result, net</b>	<b>-5</b>	<b>-332</b>

### 4.5 – Income tax

The 2014 Luxembourg taxable result for Eurofins Scientific S.E is a loss of EUR 45 million.

At the end of December 2014, the tax income generated by the tax unity amounts to EUR 6,765K in the French branch. No income taxes are due for 2014.

By the end of the year, the French branch holds a tax loss to be carried forward of over EUR 104 million.

## NOTE 5 – OTHER INFORMATION

### 5.1 – Related-party transactions

The Company is controlled by the company Analytical Bioventures SCA, the holding company of the Martin family. This company owns 42.19% of the company's shares and controls 59.02% of its voting rights as of December 31, 2014.

Transactions with subsidiaries or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's top management have significant influence such as "International Assets Finance S.à r.l.", a subsidiary of Analytical Bioventures SCA, are not relevant at the level of Eurofins Scientific S.E.

### 5.2 – Personnel

#### 5.2.1 – Weighted average Full Time Equivalent (FTE)

At the end of December 2014, the weighted average FTE stands at 2, same as last year.

	2014	2013
Executive	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

\* Employee numbers are weighted average "Full time equivalents" (FTE) during the period.

#### 5.2.2 – Key management compensation of the Board of Directors

The aggregate compensation (including benefits) granted by the company to the Board of Directors amounted to EUR 72K for the year 2014 (EUR 125K for the year 2013).

### 5.3 – Off-balance sheet commitments

#### 5.3.1 – Detail of guarantees given related to financing

EUR Thousands	2014	2013
OBSAAR Bonds secured by covenants	175,996	175,996
Amounts owed to credit institutions secured by covenants	41,185	-
Schuldschein loan secured by covenants	170,000	170,000
<b>Total</b>	<b>387,181</b>	<b>345,996</b>

A potential anticipated repayment of the loans and bonds listed above can be called in case of breach of the following financial ratio: Net debt to the Adjusted EBITDA ("leverage ratio") should be less than 3.5 at the closing date of the Company's consolidated financial statements. The Adjusted EBITDA reflects the ongoing performance of the mature and recurring activities excluding "separately disclosed items".

The Company complies with the covenants of its relevant lines of credit as at December 31, 2014.

EUR Thousands	12/2014	12/2013
Guarantees given related to the financing of subsidiaries	39,106	16,692

- The Company has signed an intercompany foreign currency hedge agreement with its indirect subsidiary Eurofins GSC Finance NV to cover any foreign exchange impact relating to granting loans in currencies other than Euro to any Group affiliates. The impact of this agreement is an unrealised exchange gain of EUR 24,520K for Eurofins Scientific S.E. At December 31, 2014, it is not recognised in the profit and loss account.
- The Company has counter-guaranteed the Swedish insurance company "Försäkringsbolaget Pensionsgaranti" for all amounts due that this company should have to pay to the current and past employees of the Swedish companies, indirect subsidiaries of Eurofins Scientific S.E., for their pension obligations, for a maximum amount of EUR 10,918K.
- In the context of a grant of £1,922,000 provided by Advantage West Midlands, now managed directly by the Department for Business, Innovation and Skills (a British Government agency), the Company has guaranteed by a comfort letter to provide the company Eurofins Food Testing UK Limited with the cash required to allow it to fulfill its obligations and ensure the payment of all amounts due by Eurofins Food Testing UK Limited in execution of its commitments in relation to the grant offer.
- In the scope of a EUR 1,200K grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failure to meet its contingencies related to this grant.

EUR Thousands	12/2014	12/2013
Guarantees given related to acquisitions	3,300	3,300

- In an agreement signed between the companies Eurofins Genomics BV and MWG Biotech AG, a guarantee was granted by the Company to the benefit of Eurofins Genomics BV, guaranteeing that Eurofins Genomics BV will at all times be in a position to timely meet its obligations towards the MWG Biotech AG minority interests under the "control and profit transfer" i.e. to pay :
  - A consideration "Abfindung" with the meaning of sec. 305 German Stock Corporation Act ("AktG")
  - A compensation "Ausgleich" with the meaning of sec. 304 AktG

#### 5.3.2 – Detail of guarantees received

None.

#### 5.4 – Post-closing events

##### Financing:

The Group raised EUR 500m in its second senior unsecured Euro bond public issuance announced on January 21, 2015.

The bonds have a seven-year maturity (due January 27, 2022) and bear an annual coupon of 2.25% (ACT/ACT).

Eurofins intends to use the proceeds of the offering for general corporate purposes as part of its mid-term development plan with the objective to achieve revenues of EUR 2bn by 2017, as well as to secure its longer-term leading position in the markets where it is active. In addition, part of the proceeds is planned for balance sheet optimization to lengthen the average maturity of its debt whilst reducing its average cost of capital.

The bonds are listed, from their issue date (January 27, 2015), on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

## 4 Company Auditor's Report on Eurofins Scientific SE



### Audit report

To the Shareholders of  
**Eurofins Scientific SE**

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### Report on the annual accounts

We have audited the accompanying annual accounts of Eurofins Scientific SE, which comprise the balance sheet as of 31 December 2014, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Eurofins Scientific SE as of 31 December 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

**Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 26 February 2015

A handwritten signature in black ink, appearing to read 'G. Vanderweyen', with a horizontal line at the end.

Gilles Vanderweyen