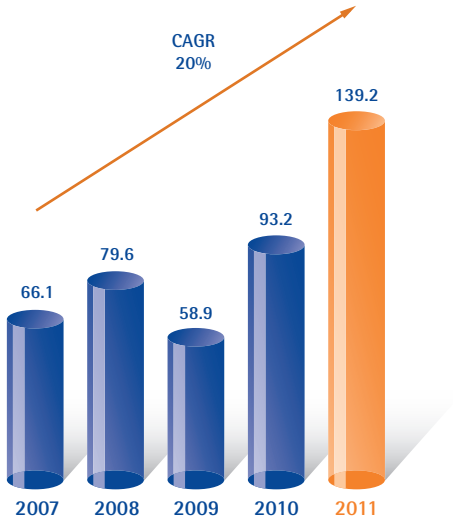
Annual Report 2011

Key Figures – Eurofins Scientific Group

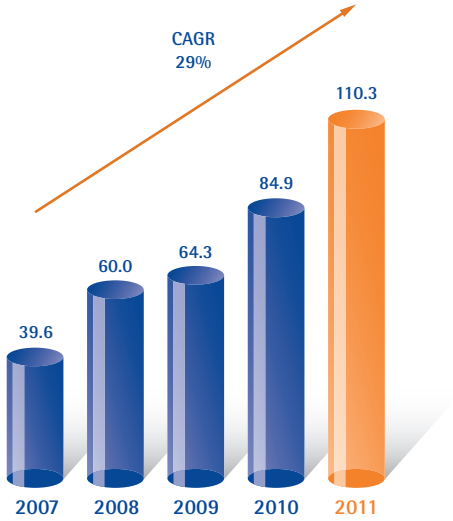
According to International Financial Reporting Standards (IFRS)

Revenues (€ Million)

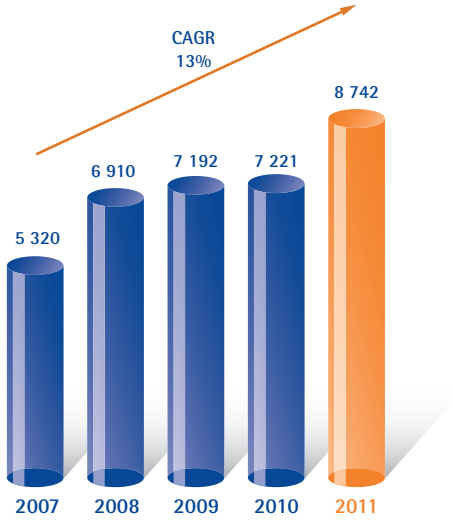
EBITDA (€ Million)



Net Cash from Operating Activities (€ Million)



Average Number of Employees (Full Time Equivalents)



eurofins

Disclaimer

Shareholder Information

Listing
NYSE Euronext Paris (IPO on 24.10.1997)

Segments/Indexes
Paris: Next 150 & SBF 120, Next Biotech SRD and Compartment B

Industry Group/Prime Sector
Pharma & Healthcare/Health Care Providers

Codes
ISIN: FR 0000038259
NYSE Euronext Paris: FR 0000038259

Tickers
Paris: Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (at 31.12.2011)
€1,435,522.90 (14,355,229 shares x 0.10€)

Simplified Ownership Structure
54.5% Free Float
45.5% Martin Family

Corporate Timetable

05.03.2012	Annual Results 2011
29.03.2012	Annual General Meeting 2012
07.05.2012	First Quarter Results 2012
30.08.2012	First Half-Year Results 2012
05.11.2012	Third Quarter Results 2012

Share-price Development in 2011
Eurofins Scientific: +5%
SBF 120: -17%
Next 150 index: -25 %

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with an average annual return of 28%.

Regular Analyst Coverage

CA Cheuvreux	Amandine Latour
Exane BNP Paribas	Laurent Brunelle
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	John Woodman
HSBC	Murielle André-Pinard
Jefferies	Alex Barnett
Natixis	Stéphane Sumar
Oddo Midcap	Christophe-Raphaël Ganet
Portzamparc	Arnaud Guérin
Société Générale	Matthew O'Keeffe

Investor Relations

Phone:	+32 2 769 7383
Email:	ir@eurofins.com
Internet Website:	www.eurofins.com

Company Profile

- 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 agroscience, genomics and central laboratory services.

With over 10,000 staff in more than 150 laboratories across 30 countries, Eurofins offers a portfolio of over 100,000 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.
The shares of Eurofins Scientific are listed on the NYSE Euronext Paris Stock Exchange (ISIN FR0000038259, Reuters EUFI.PA, Bloomberg ERF FP).

Content

I. Letter to the Shareholders

Dear Shareholders,

I am pleased to report strong performance from the Eurofins Group in 2011, when net profit more than doubled to EUR 57m, from EUR 25m in 2010. The surge in earnings comes on the back of strong growth in revenues and profitability. Revenues increased by 31% to EUR 243m in the fourth quarter alone, driving revenues for the full year to EUR 829m, representing growth of 22%, nearly 8% of which was organic. Adjusted[1] EBITDA[2] of EUR 152m for the full year shows a 28% improvement from the previous year, and meets the EUR 145m adjusted EBITDA objective communicated by the Company. The Group generated Clean[3] EBITDA of EUR 147m in 2011, an increase of 32% compared to 2010. This implies a margin expansion of 139bp to 17.7%. Despite cash outflow for residual exceptional/one-off costs (most of which were booked in prior years) and higher interest payments, the robust revenue growth and higher profitability have resulted in stronger cash generation, with Group Free Cash Flow[4] of EUR 37m, a 40% increase from 2010.

Highlights from the 2011 results:

- Revenues of EUR 829m represent a 22% year-on-year growth, almost 8% of which was organic. In Q4 alone, the Group achieved revenues of EUR 243m, a growth of 31%, out of which almost 10% was organic.
- Strong growth across all markets, with the biggest markets generating strong organic growth, validating Eurofins' strategy of taking leadership in the markets where it operates. Solid performance from Lancaster, in addition to traction gained from cross-selling opportunities, confirms acquisition rationale. IPL acquisition in November 2011 completes French water testing footprint.
- Adjusted EBITDA of EUR 152m meets the EUR 145m objective communicated in October 2011. Clean EBITDA grew 32% in 2011 to EUR 147m, on margin expansion of 139bp to 17.7%. Highest ever reported EBITDA of EUR 139m and EBITAS[5] of EUR 93m.
- Beginning of significant EPS generation with record earnings per share of EUR 3.87 in 2011, up 135% from EUR 1.65 in 2010 as Group Net Profit more than doubled in 2011 to EUR 57m from EUR 25m in 2010.
- In line with objectives, Net Working Capital (NWC) as a percentage of sales was successfully reduced to close to 5% at the end of 2011, from almost 8% in the first nine months of the year. 30% rise in Net Operating Cash Flows[6] to EUR 110m translates to a 40% increase in Group Free Cash Flows after interests and dividend to hybrid holders in 2011 to EUR 37m from EUR 26m in 2010.
- Improvement in FCF/Sales to 4.5% in 2011 from 3.9% in the previous year. This translates to FCF/share of EUR 2.59, a yield of 4.3% at the average price of EUR 60.9 in 2011.
- 16.2% ROCE[7] (Return on Capital Employed) achieved in 2011, in-line with Group objectives, indicates solid progress towards 20% ROCE.
- Despite the completion of the 2 largest acquisitions in the Group's history, debt covenants remain well below thresholds at 1.7x Net Debt/Clean EBITDA and 0.8x net debt/equity, versus limits of 3.5x and 1.5x respectively due to strong profit and cash generation.

The very good results achieved in 2011 validate the heavy investments we have made during the last investment cycle, and the Group strategy of taking leadership in the markets where we operate. It also supports our optimism and reinforces our commitment to achieve our objectives of generating at least EUR 1bn in revenues and EUR 210m Adjusted EBITDA by 2013. We intend to continue winning new customers and increasing our share of our existing customers' testing spend, whilst increased efficiencies from our world-class laboratory infrastructure and streamlined organization should allow us to generate stronger cash flows going forward. Our hard work in recent years also allows us to be confident that we are well-positioned to achieve our goals despite the uncertain global economic conditions.

Revenues increased by 30.5% in Q4 2011 to EUR 243.1m, driving full year 2011 revenues up 21.8% to EUR 828.9m. Organic growth for Q4 and full year 2011 were close to 10% and 8% respectively. Volume growth strengthened across the Group as laboratories gained market share and expanded the scope of contracts with existing customers. The acceleration in revenue growth is supported by the higher capabilities within the Eurofins network resulting from the heavy investments in recent years.

Eurofins reinforced its position across most of its markets, through leveraging the Group's scale and infrastructure, or through strategic acquisitions. Germany, Eurofins' largest market, posted double-digit organic revenue growth during the year, indicating large growth potential even in the Group's mature markets. In France, the revenue growth acceleration, especially in the second half of 2011, is partly a direct result of the market share wins after substantial expansion of the Group's capabilities following the completion of the Nantes laboratory extension, which turned it into the largest single-site independent food testing laboratory in the world. The acquisition of IPL SED towards the end of 2011 reinforces Eurofins' leading position in water testing in France, which should sustain growth from the local operations. North America was evidently boosted by the acquisition of Lancaster; nonetheless, the business delivered strong organic growth. Elsewhere, the rate of market share gains has accelerated as the Group leverages its expanded network. Eurofins' newer markets continue to provide tailwinds for the Group's growth

momentum, and trends suggest that these markets will continue to be a key growth engine for the Group.

In the food testing business, Eurofins continues to strengthen its leading position across its markets with further market share gains and steady expansion of its share of existing customers' testing spend. The food scandals in Europe alone during the year have further heightened consumer awareness, and have provided additional support to regulatory developments. Eurofins therefore benefits from its solid reputation for quality of analysis, breadth of expertise, and wide network, as evidenced by higher volumes and increased market shares. Meanwhile, steady market share gains support the continued strengthening of Eurofins' environmental testing business. In particular, the multiple contract wins away from competitors in Scandinavia highlights the Group's growing scale and leadership in its markets. The acquisition of IPL in France reinforces Eurofins' position as a leading service provider in the French water testing market. The pharmaceutical testing business is supported by the steady growth in pharmaceutical products testing, both in Europe and in the US with Lancaster. The strengthening of the order book suggest continued stabilization in the pre-clinical and clinical testing, whilst MWG Operon, the Group's genomics business, continues to see strong growth with new opportunities opening as application of the service widens.

Adjusted EBITDA in Q4 2011 improved 32.4% to EUR 49.0m. The strong profitability during the last quarter pushed full year 2011 adjusted EBITDA up 27.7% to EUR 151.6m, achieving the Group's objective of EUR 145m. Including the Group's start-up losses of EUR 4.4m, which is well within the target of less than EUR 5m for the full year, Clean EBITDA increased 32.2% to EUR 147.1m in 2011, implying 17.7% margin. In Q4 2011 alone, the Group generated Clean EBITDA of EUR 48.6m, a margin of 20.0%, in spite of the temporary dilutive effect of IPL SED, which will have to be modernized and reorganized, as the strong profitability achieved in the previous quarter by the rest of the Group was sustained. Even adjusting for non-recurring items, mostly costs from specific legal issues mainly linked to past acquisitions, the expenses associated with the largest acquisitions in the Group's history (Lancaster and IPL SED), and some residual costs from the company reorganization, reported EBITDA for the full year came to EUR 139.2m, on a 16.8% margin, the highest reported EBITDA margin since 2005, when Eurofins embarked on the latest investment cycle.

The solid improvements in Eurofins' core profitability reflect the beginning of operational leverage from recent investments coming through as efficiency increase across the Group. Although the main cost components grew in absolute terms, as a proportion of revenues, they remain on a declining trend, with cost of purchased materials declining from 37.3% in 2010 to 35.5% of sales in 2011.

The wide margin expansion boosted Clean EBITAS by 44.2% to EUR 101.2m (EUR 70.2m in 2010), while reported EBITAS is 79.2% higher compared to 2010 (EUR 52.1m) at EUR 93.3m, despite higher depreciation charges. Furthermore, although net financial charges in 2011 were higher compared to 2010 due to the higher gross debt, effective tax rate declined from 29.9% in 2010 to 19.6%, reflecting a more evenly spread of profit across the Group. The Company points out, however, that this magnitude of decrease in the Group tax rate, to substantially below the Group's mid-term objective, is probably unsustainable. Nonetheless, this reduction, in addition to the strong growth in revenues and profitability, has boosted Eurofins' net profit by 123.5% from EUR 25.3m in 2010 to EUR 56.6m in 2011, translating to record earnings per share of EUR 3.87.

Solid top line evolution and increasing focus on profitability have resulted in a near-doubling of profit before taxes in 2011 to EUR 70.5m, from EUR 36.2m in 2010. Additionally, the vast improvement in Net Working capital (NWC) from 7.6% at the end of September to 5.4% of sales at the end of December 2011 has further increased net cash from operating activities to EUR 110.3m for the full year 2011, a 29.9% increase from EUR 84.9m in 2010.

Therefore, despite higher interest paid due to the higher gross debt and the increase in hybrid dividend payments, plus still significant capital expenditures, the Group generated Free Cash Flow of EUR 37.1m in 2011, representing a 40.5% increase from 2010.

The increase in capital expenditures in Q4 2011 was driven by the faster progress made on the building/extension of new sites in Wolverhampton (UK), Saverne (France), Moss (Norway) and Des Moines (USA), as well as the ramp-up in IT investments as part of the Group's "One IT" programme. This brought capital expenditures for 2011 slightly above the mid-term objective of 6% of revenues and had a one-off negative impact on Q4 2011 Free Cash Flow. The management expects, however, that capital expenditures should normalize again in 2012, which should further enhance the Group's strengthening cash flows.

Total assets stood at EUR 1,075m at the end of December 2011, compared to EUR 736.2m in December 2010, with the wide difference made up by the significant increase in cash and in tangible and intangible assets from the large acquisitions during the year. The 67.0% increase in cash and cash equivalents to EUR 179.5m is due to higher profits and the remainder from proceeds from the Schuldschein loan in July 2011 after paying down the Group's shorter-term debt.

Strong profitability, disciplined capital management and sound funding mix have resulted in the strengthening of the balance sheet. Whilst net debt[8] of EUR 255.2m at the end of December 2011 represents a 50.8% increase compared to December 2010, it has already declined from a high of EUR 271.1m at the end of June 2011 despite the acquisition of a majority of IPL SED in November 2011. Therefore, despite the large acquisitions during the year, the Group's debt ratios at the end of

2011 remain well below its debt covenant limits at net debt to equity of 0.8x and Net Debt/clean EBITDA of 1.7x, versus 0.7x and 1.5x respectively at the end of 2010.

Outlook

Overall, the outlook for Eurofins' businesses remains positive and the management reiterates its objective of reaching at least EUR 900m in revenues in 2012. The achievements in 2011 indicate that even with very little additional acquisitions, the Group is also well on track to deliver on its objective of generating at least EUR 1bn in revenues and EUR 210m Adjusted EBITDA by 2013. More importantly, the management believes that the Group has invested well in the last investment cycle (2006-2010), and has vastly improved its business mix to enable it to perform well regardless of the uncertain global economic conditions.

As usual, I would like to thank Eurofins' clients and shareholders for their trust and continuing support during the year, and all of Eurofins team for their efforts and commitment. I look forward to making further significant progress together in 2012.

Sincerely,

Dr. Gilles G. Martin
CEO

On March 5, 2012

The above non-GAAP measurements are defined by Eurofins as follows:

[1] Adjusted - excludes one-off costs from integration, reorganization and discontinued operations, temporary losses related to network expansion/start-ups, amortisation of acquisition intangibles, non-cash accounting charges for stock options, and other non-recurring costs

[2] EBITDA – Earnings before Interest, Tax, Depreciation and Amortization

[3] Clean - excludes one-off costs from integration, reorganization and discontinued operations, amortisation of acquisition intangibles, non-cash accounting charges for stock options, and other non-recurring costs, but including losses related to network expansion/start-ups

[4] Free Cash Flow – Net Operating Cash Flow, less interest and hybrid dividend paid and cash used in investing activities (but excluding payments for acquisitions)

[5] EBITAS – Earnings Before Interest, Tax, Amortization of intangible assets related to acquisitions and impairment of goodwill and non-cash accounting charge for Stock options

[6] Net Operating Cash Flow – net cash provided by operating activities after tax

[7] ROCE (Return on Capital Employed) - EBITA/Average Capital Employed over the last 4 quarters. Capital employed is defined as operational non-current assets + goodwill and financial assets + net working capital

[8] Net Debt – long and short term borrowings less cash and cash equivalents

II. Selected Consolidated Financial Data

Five-Year Summary

In €million, except per share data
according to International Financial Reporting Standards (IFRS)

Summarised Income Statement data	**2011**	2010	2009	2008	2007
Revenues	**828.9**	680.3	640.1	632.8	497.2
Materials and services	**-294.2**	-253.6	-250.7	-251.6	-202.3
Personnel expenses	**-401.4**	-327.6	-315.4	-301.3	-233.6
Other operating income and expenses, net	**5.9**	-6.0	-15.0	-0.2	4.9
EBITDA before one-off/reorganisation costs	**147.1**	111.3	92.4	90.7	68.7
One-off/reorganisation costs	**-7.9**	-18.1	-33.3	-11.1	-2.6
EBITDA*	**139.2**	93.2	58.9	79.6	66.1
Depreciation	**-45.9**	-41.1	-38.7	-34.6	-25.9
EBITAS**	**93.3**	52.0	20.2	45.0	40.2
Non-cash charge for Stock Options	**-2.5**	-2.3	-2.2	-1.7	-1.1
Impairment and amortisation of intangible assets	**-4.2**	-1.1	-7.7	-1.4	-0.7
EBIT after non cash accounting charge for S.O., impairment of goodwill and amortisation of intangible assets related to acquisitions	**86.5**	48.7	10.2	41.9	38.3
Financial results, net	**-16.4**	-12.7	-12.5	-14.6	-9.3
Share of profit/ loss of associates	**0.3**	0.2	0.2	0.2	0.1
Income taxes	**-13.8**	-10.8	-9.2	-9.5	-9.5
Net profit attributable to equity holders	**56.6**	25.3	-11.3	17.7	17.6

Summarised Earnings Per Share data	**2011**	2010	2009	2008	2007
Weighted average number of ordinary shares (adjusted for stock split):					
- in issue	**14.324**	14,224	14,183	14,055	13,903
- for diluted earnings per share	**15.684**	14,859	15,357	15,178	15,077
Total basic earnings per share	**3.87**	1.65	-0.79	1.26	1.27
Total diluted earnings per share	**3.53**	1.57	-0.73	1.17	1.17

Balance Sheet data	**2011**	2010	2009	2008	2007
Current assets	**441.9**	295.8	231.7	312.0	232.6
Non current assets	**632.7**	440.3	427.6	422.0	379.5
Total assets	**1.074.6**	736.2	659.3	734.0	612.0
Current liabilities	**266.5**	208.6	177.8	189.5	180.9
Non current liabilities	**487.8**	296.8	278.4	325.4	215.6
Total shareholder's equity	**320.3**	230.7	203.0	219.1	215.6
Total liabilities and shareholders' equity	**1.074.6**	736.2	659.3	734.0	612.0
Net debt***	**255.2**	169.2	183.7	158.1	108.6

Summarised Cash Flow statement data	**2011**	2010	2009	2008	2007
Net cash from operating activities	**110.3**	84.9	64.3	60.0	39.6
Investing cash flow	**-204.2**	-48.3	-63.0	-81.5	-108.0
Financing cash flow	**170.7**	6.1	-79.0	89.4	52.3

* Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

** Earnings Before Interest, Tax, Amortization of intangible assets related to acquisitions and impairment of goodwill and non-cash accounting charge for Stock options

*** Net debt – long and short-term borrowings less cash and cash equivalents

III. Financial and Operating Review

In 2011, Eurofins started reaping the benefits of the last investment cycle, building on the strong foundation made in recent years. Having set out at the beginning of 2011 its mid-term objectives of generating at least EUR 1bn in revenues and EUR 210m Adjusted EBITDA by 2013, the Group promptly went about achieving multiple milestones during the year. Following heavy investments in the previous five years to turn Eurofins into a network of modern, state-of-the-art laboratories, the Group further strengthened its footprint and secured leading positions in most of the markets where it operates. In France, for example, the Group secured a strong number one position in both the food and water testing businesses during the year, following the completion of the extension of the Nantes site early in the summer, which turned it into the largest single-site independent food testing laboratory in the world, and the acquisition of IPL SED, the leading player in the water-testing market.

Across the Eurofins Group, the focus remains on consolidating its markets, whether through market share gains, or through highly strategic acquisitions, and ensuring that Eurofins is the laboratory testing provider of choice for all customers. The heavy investments of the last five years ensure that each of the businesses within the network is well-equipped to achieve that goal effectively, efficiently and profitably. The hard work in recent years has positioned Eurofins to withstand global economic fluctuations better than ever before. This is reflected in the performance of the Group in 2011, which shows strong results across all markets.

Revenues

Revenues in 2011 grew 21.8% to EUR 828.9m, compared to EUR 680.3m in 2010. Of the growth posted for the year, almost 8% was generated organically, the rest from acquisitions, with minimal currency impact. In the fourth quarter alone, revenues increased 30.5% to EUR 243.1m versus EUR 186.4m in Q4 2010, on organic growth of almost 10%. The strong growth particularly in the last quarter is even more impressive given the strong performance already achieved in the comparable period in the previous year, underlining the Group's expanded capabilities and market share in most of its activities following the heavy investments in the last five years to secure leading positions and unparalleled infrastructure in most of the markets where the Group operates. The solid performance is also a reflection of the shift in Eurofins' business mix, with increased exposure to more stable, structurally growing industries and markets.

Revenues: Geographical Breakdown

EUR million	**2011**	%	**2010**	%
Benelux	**77.2**	9.3	**73.2**	10.8
UK & Ireland	**48.5**	5.8	**41.4**	6.1
France	**152.9**	18.4	**134.7**	19.8
Germany	**176.8**	21.3	**158.6**	23.3
North America	**145.9**	17.6	**68.3**	10.0
Nordic Countries	**145.5**	17.6	**135.6**	19.9
Other	**82.1**	9.9	**68.5**	10.1
Total	**828.9**	100.0	**680.3**	100.0

The Group's strategy of capturing the leading market share in the markets where it operates underscores the revenue split by geographic region within the Group. Germany, in which Eurofins has the leading position in both the food and environmental testing markets, grew 11.5% to EUR 176.8m, and remains the Group's biggest market, despite the big jump in the North America's contribution to total revenues. The solid developments in France, from market share wins following investments to reinforce our footprint and capabilities, drove a 13.5% revenue growth, resulting in the French business overtaking Scandinavia as the Group's second largest contributor, despite continued strong growth in Eurofins' Danish, Swedish and Norwegian operations. Notably, the more than doubling in North American revenues comes on the back of nine months' worth of revenue contribution from Lancaster, which has boosted revenues in addition to the solid organic growth, and other smaller acquisitions in the USA. The recovery in the Benelux markets had been sustained throughout 2011, and reinforced by market share gains especially in the food testing business in The Netherlands. Finally, the ramp-up from "other" markets continues, as evidenced by the proportion of Group revenues remaining constant despite the significant increase in contribution from the acquisition of in North America.

In the food testing business, Eurofins continues to strengthen its leading position across its markets with further market share gains and steady expansion of its share of existing customers' testing spend. The fundamental drivers of the food testing industry remain robust, as reflected in the steady increase in testing volumes. The food scandals in Europe alone during the year - dioxin and e-coli scandals in Germany, salmonella outbreak in the UK, for example - have further heightened consumer awareness, and have provided additional support to regulatory developments. In a bid to comply with ever-increasing regulation, and to protect their brands, customers ranging from producers to retailers are expanding the scope of their contracts to include more tests, and the larger customers are increasingly switching from smaller laboratories to those with greater reach and capability. Eurofins therefore benefits from its solid reputation for quality of analysis, breadth of

expertise, and wide network, as evidenced by higher volumes and increased market shares.

Steady market share gains support the continued strengthening of Eurofins' environmental testing business. In particular, the multiple contract wins away from competitors in Scandinavia highlights the Group's growing scale and leadership in its markets. The acquisition of IPL SED in France reinforces Eurofins' position as a leading service provider in the French environmental testing market, and is therefore consistent with Eurofins' strategy of securing leadership of its markets.

The pharmaceutical testing business is supported by the steady growth in pharmaceutical products testing, both in Europe and in the US with Lancaster. In the pre-clinical and clinical testing, the business is still stabilizing from the weakness following the pharma industry's R&D pullback during the last economic downturn. Although Eurofins concedes that the business is still softer than in the 10 years prior to the 2008 downturn in pharma clinical testing, the strengthening of the order book indicates improving trends. Meanwhile, Eurofins MWG Operon, the Group's genomics business, continues to see strong growth with new opportunities opening as application of the service widens.

Overall, business prospects for Eurofins' activities remain intact as consumers, and consequently regulators, demand protection, or at a minimum, sufficient information about the most basic products, regardless of global economic or political conditions. Furthermore, as governments and businesses across Europe, and indeed across the world, engage in various cost-reduction initiatives, large, organized laboratory networks that can carry-out wider range of tests more efficiently and cost-effectively stand to benefit. The management of Eurofins, therefore, remains optimistic about its prospects, and confident that the Group should be able to deliver on its mid-term objectives of generating at least EUR 1bn in revenues and EUR 210m Adjusted EBITDA by 2013.

Profitability

For the full year 2011, the Group reported EBITDA of EUR 139.2m, an increase of 49.4% compared to the previous year as the margin expanded by 310 bp, whilst in Q4 2011, reported EBITDA grew 65.8% to EUR 46.4m. The faster rate of revenue growth indicates that the Group is beginning to benefit from the operational leverage following the heavy investments in the last five years. Although the main cost components – cost of purchased materials and personnel costs - grew in absolute terms, as a proportion of revenues, they have remained largely constant to declining. Personnel costs as a proportion of sales remained largely constant compared to 2010 at 48.4%, whilst cost of purchased materials declined from 37.3% in 2010 to 35.5% of sales in 2011. Adjusting for the non-recurring items mostly associated with the legal and administrative costs from the company's large acquisitions during the year (Lancaster and IPL), some ongoing legal costs, and some costs from the remaining network expansion and company reorganization, Clean EBITDA for 2011 increased by 32.2% to EUR 147.1m compared to EUR 111.3m in the previous year, as clean EBITDA margin expanded by 139bp to 17.7%. Furthermore, in-line with objectives, losses from the Group's start-up activities have narrowed to EUR 4.4m in 2011 (guidance of below EUR 5.0m), compared to EUR 7.5m in 2010. These start-up losses aside, the Group generated Adjusted EBITDA in 2011 of EUR 151.6m, a 27.7% improvement from the previous year, and modestly exceeds the EUR 145.0m guidance provided by the management as late as October 2011.

The solid improvements in Eurofins' core profitability reflect the beginning of operational leverage from recent investments coming through as efficiency increase across the Group. Therefore, despite higher depreciation charges for 2011, the wide margin expansion has boosted Clean EBITAS by 44.2% to EUR 101.2mm (EUR 70.2m in 2010), while reported EBITAS is 79.2% higher compared to 2010 (EUR 52.1m) at EUR 93.3m.

Although net financial charges in 2011 were higher compared to 2010 due to the higher gross debt, the significant reduction in the effective Group tax rate from 29.9% in 2010 to 19.6% reflecting that profitability is now more evenly-spread across the Group has significantly boosted Eurofins' bottom line. In 2011, net profit attributable to equity holders more than doubled to EUR 55.4m, from EUR 23.4m in 2010, with earnings per share growing from EUR 1.65 in 2010 to EUR 3.87 for 2011.

Balance Sheet and Capital Structure

Eurofins' total assets at 31 December 2011 were EUR 1,075m, 46.0% higher than at 31 December 2010. The substantial increase in the Group assets is driven by a significant increase in cash due to higher profits and proceeds from the Schuldschein issuance in July 2011 and the increase in both tangible and intangible assets from the large acquisitions during the year. The Group's net working capital was largely within expectations at 5.4% of revenues for the full year from 7.6% in the first nine months of the year, a clear reflection that management is taking cash controls seriously.

Net debt at the end of 2011 stood at EUR 255.2m, compared to EUR 169.2m in 2010 following funding exercises for the acquisitions in 2011 and other potential growth investment opportunities in the medium-term. Despite this, the strong cash generation has already reduced the Net Debt from a high of EUR 271.1m on 30 June 2011, and keeps Eurofins' debt ratios remain well below its debt covenant thresholds at Net Debt/Clean EBITDA of 1.7x and net debt/equity of 0.8x as of 31 December 2011, versus maximum limits of 3.5x and 1.5x respectively. The OBSAAR issued in June 2010 in addition to the remaining amount from the first OBSAR from 2006 put total outstanding bonds at EUR 204m, whilst the Schuldschein loan obtained in July 2011 was for EUR 170m. The number of shares increased mostly to the extent that employees exercised their share options (weighted average 14.32m vs 14.22m in 2010).

With a cash position of EUR 179.5m at the end of the year, higher cash generation from improved

profitability, and substantial headroom in debt capacity, management believes the Group is sufficiently funded for its own liabilities, business plans and other opportunities that may arise.

Cash Flow and Liquidity

Strong earnings momentum has expanded the Group's cash flows to record levels. The growth in revenues, strong profit expansion and close working capital management has driven net operating cash flows up by 29.9% in 2011 to EUR 110.3m, from EUR 84.9m in the previous year.

Eurofins paid a dividend of EUR 9.1m to the holders of its deeply subordinated perpetual security ("hybrid" instrument) during the year. The Group also paid EUR 0.20 dividend per share (EUR 2.9m in 2011 versus EUR 1.4m 2010) to its ordinary shareholders.

Despite higher interest paid due to the higher gross debt, the increase in hybrid payments, and capital expenditures slightly exceeding the 6% mid-term target, the Group generated Free Cash Flow of EUR 37.0m in 2011, representing a 40.2% increase from 2010.

Sales and Marketing

2011 was a milestone year for Eurofins on many fronts. Following the successful completion of its intensive investment and reorganization programmes in 2010, the Group promptly set out to extract the benefits from its recent investments. Eurofins' modern, more efficient laboratory network has facilitated market share gains in most of the countries where we operate, and our expanded footprint has strengthened our leading positions in most of the markets we serve. Across our markets and our businesses, we continue to acquire new customers and expand our share of existing customers' testing spend.

Increased food and feed screening in the wake of the latest dioxin scandal, the EHEC outbreak in Europe, and in the aftermath of the tragedy in Japan earlier in the year, has brought Eurofins' market leadership into the forefront with its extensive capability in this area. Eurofins has successfully illustrated in each instance its capability to respond to such developments quickly and effectively. The Group's Competence Centre for Dioxin analysis in Hamburg, and its large-scale capacity for microbiology testing, make it well-positioned to provide the most comprehensive suite of analytical methods following calls for greater regulation and increased testing after the dioxin scandal in January and the EHEC outbreak in May. Importantly, Eurofins has the capability to offer identical services in multiple markets. For example, Eurofins is the only laboratory network able to offer full EHEC testing capability in Sweden.

Likewise, Eurofins is one of the few global laboratory testing service providers that has the capability and capacity to offer a wide range of services for radioactivity testing in food, for which demand has increased considerably following the earthquake and subsequent damage in the Fukushima nuclear power plant in Japan. The Group's Competence Centre for Contaminants testing in Hamburg, Germany has increased its capacity in radioactivity testing following the Fukushima fallout. Importantly, Eurofins has set up a testing laboratory for Radioactive Material Testing (RMA) in Tokyo to facilitate a technology transfer to support the Japanese people and the food industry following the tragic accident.

Our leading position in Scandinavia was evident with the contract signed at the beginning of 2011 to provide all microbiology and chemistry testing for McDonald's in Sweden, previously a long-term client of one of our competitors. Eurofins is clearly making considerable inroads in taking business from competitors, with another long-term Swedish water testing contract, which had traditionally been awarded to a close competitor, during the year. Further, Eurofins also won a tender from the Swedish Agricultural Ministry to provide BSE testing services, which had also been awarded to a competitor in previous years. In Norway, we won a contract to provide testing services to a leading fish industry player, which had traditionally been given to a number of independent testing service providers in the past. These developments reflect Eurofins' strategy of consolidating its respective markets, and strengthen its leading positions within those markets.

The Group is leveraging its expanded and modernized network, with increased volumes in most markets. In France, a global animal feed producer expanded its contract with Eurofins shortly after signing the initial agreement. The completion of the laboratory extension in Nantes, which turned it into the world's largest single-site independent food testing laboratory, provides the Group with a compelling suite of services to offer to both new and existing clients. Within the same site, Eurofins also established a flagship microbiology laboratory, becoming the reference expert in PCR analysis of pathogens. Eurofins Nantes was also selected by the National Food Safety Agency (ANSES) to conduct nutritional analysis for the "Table Ciqual" (Nutrition Data) program until 2015, underscoring the Group's reputation in the industry. Eurofins Marketing Research, the sensory unit of the food division signed a major contract with Kraft Food – Cadbury, another reflection of Eurofins' wide reach of expertise across the entire food supply and production chain.

Eurofins' food testing business in The Netherlands is going from strength to strength, with multiple new or extended contracts from food producers, and retail chains. In 2011, Eurofins Food Netherlands commenced testing for the four biggest food retailers and supermarket chains in the country, with the biggest retailer having previously been a customer of one of Eurofins' close competitors. Building on the Group's numerous competencies, Eurofins Food Netherlands is also developing a Carbohydrate Analysis Competence Centre, as a long-term platform for what Group sees as sustainable growth in complex carbohydrates, and to build a competitive advantage in this niche market. The initiative addresses customers' growing requirements for carbohydrate testing, and will feed into the Group's strategy of building specialized, highly efficient facilities within the network.

The strength of Eurofins' pharmaceutical testing activities had been reinforced with the acquisition of Lancaster Laboratories in the first half of the year. Lancaster has reinforced the Group's leadership in terms of scale and quality of service on a wide range of laboratory activities for the pharmaceutical and biopharmaceutical industries in North America, Europe and Asia. The Group's pharma testing activities have also been boosted by the opening of a new Central Laboratory in Bangalore, India. This new laboratory complements the Group's current global footprint of wholly-owned central laboratory facilities in the United States, Europe, Singapore and China. This third central laboratory in the Asia Pacific region turns Eurofins into one of the top central laboratory networks in the world. In addition, the Group continuously partners with other industry leaders to provide clients with the most innovative and efficient services. Eurofins MWG Operon, the Group's genomics arm, signed a partnership agreement with Pacific Biosciences in May, to expand its portfolio of next-generation sequencing services with the PacBio RS™. In the meantime, Optimed, Eurofins' arm for pre-clinical research, has also signed a joint partnership with a US-based clinical trials company, Spaulding Clinical, for global clinical studies allowing co-promotion and collaboration on clinical services. This provides additional opportunities for both companies to engage pharmaceutical clients who demand global footprint.

Finally, we continue to make solid progress in our newer markets. The strength of the Eurofins brand within the global laboratory-based testing industry is evident in the rate of customer wins in the Group's newer markets, notably in China, where the food testing business continues to win contracts from both new customers, and from long-standing Eurofins customers in other markets. Active customer count for Eurofins Food Testing in China at the end of 2011n was 967, from just 160 in 2010. These customers include subsidiaries of global food producers, manufacturers and retailers based in Europe and the USA, as well as local and regional companies. Further, Eurofins Shenzhen successfully obtained accreditation from the China National Accreditation Service (CNAS), paving the way for the Group to serve the local market in the future.

Overall, the developments and progress made in 2011 across the Group allow management to remain positive about its mid-term outlook as set out in its objectives for 2013.

Acquisitions and Geographic Expansion

At the beginning of 2011, the management of Eurofins confirmed the Group's mid-term objectives of achieving EUR 1bn in revenues and generating 21% EBITDA by 2013. The revenue objective implied 13.7% CAGR over the period, of which at least 5% should be generated organically, and the remainder through selective acquisitions, the latter representing about EUR 65m additional revenues from acquisitions per year.

The Group has exceeded both its organic growth target, and its acquisition commitments for 2011. Total acquisitions for 2011 were well above the EUR 65m yearly acquisitions required as implied by the Group's mid-term objectives, with the bulk made up by Lancaster Laboratories in the USA and the IPL SED companies in France.

Lancaster Laboratories, the biggest ever transaction concluded by Eurofins, was fully consolidated into Eurofins' accounts in Q2, with its strong contribution confirming the strategic fit that drove the transaction. Lancaster is the leading provider of pharmaceutical products testing services and cGMP Quality Control (QC) in North America, operating the largest single-site independent pharmaceutical product testing laboratory in the world. In addition, it operates one of the leading environmental testing laboratories in the USA. The inclusion of Lancaster in Eurofins' stable of laboratories extends the Group's global pole position into environmental and pharmaceutical product testing, in addition to its undisputed worldwide leading position in food testing.

Towards the end of 2011, Eurofins acquired a 67% majority stake in each of the two subsidiaries of the Fondation Institut Pasteur de Lille (IPL), namely IPL Invest and IPL Santé Environnement Durable Nord (IPL SED Nord). The IPL SED Group is the leader in the French water testing market, and therefore reinforces Eurofins' position as the leading service provider in that market.

During the year, Eurofins concluded several strategic transactions to significantly tighten its operating footprint, and/or secure its leading position in its various markets. Additional smaller acquisitions in Sweden and the US further strengthen our global pharmaceutical testing offering. In Belgium, the acquisition of Becewa and Chemiphar secures Eurofins' leading position in the local food and environment testing market. It also illustrates the Group's strategy of consolidating its markets, and strengthening its position within those markets. In the course of 2011, Eurofins also completed several transactions in the rapidly-growing Genomics market, namely a joint venture with Fasmac in Japan, and the acquisition of VBC in Austria. These transactions support the Group's existing activities as one of the global market leaders in Genomic Services.

In May, Eurofins acquired the remainder of the shares of GeneScan, its GMO testing arm, from its minority shareholders.

Given the stronger contributions from completed acquisitions and higher organic growth achieved in 2011, Eurofins' management now sees limited need for additional acquisitions in order to achieve its mid-term objective of generating EUR 1bn in revenues. The Group currently has no plans of launching greenfield operations in new markets. Instead, management is focused on ensuring that all its activities in its new markets reach Group standards both in terms of operations and profitability.

Investment, R&D and Infrastructure

In 2011, Eurofins concluded its laboratory modernization programme with the completion of the extension of Eurofins Nantes site early in the summer. The project has turned it into the largest

single-site independent food testing laboratory in the world, with 11,500 m^2 total laboratory surface and capacity to analyse up to 1 million samples per year with a broad range of technologies. The last remaining construction in Wolverhampton, UK, has already been largely expensed and is proceeding on schedule. The programme was undertaken to modernize and streamline its vast network of laboratories.

As previously reported, all microbiology testing in Sweden has been successfully moved to a central location in Jönköping, which means that all microbiology tests in the country can now be done in a single site. In the US, all chemistry-related testing previously performed in the recently acquired laboratory in Maryland, have been moved from Hanover to the Group's new Nutrition Analysis Centre in Des Moines, IO, leveraging the expanded laboratory platform of the site. The Group plans to turn the Hanover laboratory into a competence centre for microbiology for the north east of the USA. These programmes are designed to fit to the Group's strategy of establishing large-scale, specialized facilities (Competence Centres) that operate efficiently and cost-effectively.

Consistent with its reputation for being at the forefront of research and technology within its field, Eurofins France has been involved in the recent formulation of a methodology to determine the authenticity of a dietary supplement, chondroitin sulphate, by continuous-flow isotope ratio mass spectrometry (CF-IRMS). The increasing demand for the test is driven by market requirement to determine the source of the compound, which ultimately impacts the price of the product. The same team also completed a 4-year research project developing a new method based on carbon-13 nuclear magnetic resonance (NMR) to detect counterfeit pharmaceuticals. The research was conducted in collaboration with the University of Nantes, and a number of major pharmaceutical companies have already shown interest in the technique.

The Group's culture of laboratory innovation continues to underpin its success and reputation among customers. In 2011, Eurofins developed a methodology that allows direct detection of proteins from allergenic compounds in a single analysis. The new method allows multiple direct detection of proteins from allergenic compounds in a single analysis, thereby raising efficiency while reducing cost.

Meanwhile, the consistency of Eurofins' methods with the new standard issued by the International Dairy Federation (IDF) and International Organization for Standardization (ISO) on melamine testing on dairy products validates its strong competence and pioneering technical expertise in laboratory analysis, having already deployed the method across the relevant laboratories within the Group since 2008.

Eurofins France also remains actively involved in various European Commission initiatives, most recently the Core Organic II project, looking into the most promising methods to authenticate organic food products. This 3-year initiative brings together leading industry players like Eurofins, public sector agronomists, chemists, and inspection and certification bodies from 11 countries.

As part of its programme to streamline and harmonize its global network of laboratories, Eurofins remains committed to deploying its Global One IT Programme, which is proceeding on schedule. By mid-2012, the food testing division will have close to 100% deployment rate, and management expects the programme to be fully deployed by 2013.

Corporate news

In February 2011, Eurofins extended its subordinated Hybrid bond originally issued in May 2007 to optimize its balance sheet ahead of the various acquisitions it had planned to reach its objectives. The EUR 51m raised was drawn from the same Hybrid bond instrument issued in May 2007 and bears the same structure as the EUR 100m from the original issue, bringing the total nominal value of Eurofins' Hybrid bond to EUR 150m.

The Group also successfully concluded a EUR 170m "Schuldschein" loan private placement in July, issued primarily to lengthen the Group's debt maturity, thereby providing the Group with even greater flexibility to manage and respond to market opportunities swiftly. The proceeds were used to repay part of the existing debt, with the remainder held in cash. Hence, the exercise had neutral impact on the Group's debt ratios, and there were no changes to the existing covenants.

Post-closing events

The Board of Directors of Eurofins decided at its meeting on March 2, 2012 to proceed with the process of transferring the corporate seat of Eurofins Scientific SE, the Group's holding company, from Nantes, France to Luxembourg. The transfer proposal was adopted by the shareholders at the Extraordinary General Meeting held on January 11, 2012, with a majority of nearly 85% of the votes cast. The resolution was passed by the majority under the condition precedent that the minority shareholders who, having voted against the resolution, do not ask to have their shares redeemed in such proportions that it would lead the Board to have to abandon the proposed transfer of the registered office in Luxembourg, given the available liquidity and the impact of these demands on the financial structure of the Group. Following the expiry of the opposition period, during which these opposing minority shareholders could request for redemption, the Company received one redemption application, covering 312 of the Company's ordinary shares, representing 0.01% of the 18.44% stake of the minority shareholders who voted against the resolution. The Board of Directors determined that the impact on the Group's financial structure of the single redemption request received is neither significant nor unreasonable, and therefore lifted the condition precedent to proceed with the transfer.

As previously communicated, Eurofins Scientific SE will remain listed on Eurolist (Euronext Paris), and

the seat of the Group's operational activities in France will remain in Nantes.

The planned transfer of the registered office of the holding company of the Group is part of discussions held by the Board of Administration to strengthen the legal and financial integration of the Group and improve its organization and competitiveness. It is in line with the Group's legal and financial structure, having been organized around a holding company per industry, each of which is located in Luxembourg. The move is also consistent with Eurofins' intention to transform into a truly European corporation, given that 80% of its revenues are now generated outside of France.

The Group is currently not aware of any other exceptional facts or issues that could have a material effect on its assets and/or financial performance.

IV. The Business

1. History and Strategy of the Company

The Company 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 over 150 state-of-the-art laboratories across 30 countries in Europe, the USA, Asia and South America employing over 10,000 staff, and a portfolio of 100,000 reliable analytical methods.

Investments in start-ups in 15 new countries, 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 defendable 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.

2. Business 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

Eurofins' business is driven by man's basic need for a safe and clean environment, to consume safe and healthy products and to live longer. This requires the best quality possible for the air that we breathe, the beverages that we drink, the food that we eat and the medicines that we take. Eurofins focuses its bioanalytical services on the fast-growing pharmaceutical, food and environmental testing markets.

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 increase, the demand even for expensive pharmaceuticals enabling people to enjoy better lives is growing. The aversion to risk that may be associated with some foods and consumer products is also increasing as people become more aware of the issues that surround them. Eurofins is committed to support a healthy life-style and safe nutrition in a clean environment.

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.

Gene technology, for example, opens new doors to developing pharmaceuticals targeted at modifying gene function or gene expression. These may include rational drug design from the identification of 1new targets (genomics) or tailoring drugs for individual treatment (pharmacogenomics). Gene technology also plays an important role in the food industry with respect to Genetically Modified Organisms (GMO).

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. Eurofins offers its clients an exceptionally broad portfolio of state-of-the-art bioanalytical methods to guarantee that their products meet the highest quality standards.

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. In particular in the food, pharmaceutical and environmental industries, supplies from areas with less or lower regulatory quality control obligations do not always match 'western' standards. 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 100,000 tests. Furthermore 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 pro-active 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.

V. Corporate Governance

Eurofins aspires to the highest standards of corporate governance as part of its vision to be the world leader in bioanalytical testing. Inspiring leadership and efficient organisational structures and systems should enable it to reach this goal and also provide shareholders with additional comfort as well as high returns on investment.

Eurofins currently uses as a best practice reference the corporate governance guidelines as set out in the AFEP/MEDEF recommendations. Furthermore it has also set out to conform to the AMF's Guide to the Document de Référence for Small and Midcap Companies. As a company registered and listed in France, Eurofins is also regulated by the AMF and NYSE Euronext.

The Company believes that a principles-based approach allows it to continue to be entrepreneurial at the same time as looking after shareholders interests. Indeed these two concepts should complement rather than compromise each other. The Board of Directors ("Conseil d'Administration") also believes that a company with a good approach to corporate governance is a sign of a well-managed company.

The Company continually addresses specific areas which require consideration in a rapidly growing company.

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 Executive Committee's activities and another level of review.

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. 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 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.

In order to bring the company closer in line with French guidelines and wider corporate governance practice, the 2008 AGM decided that Directors be elected for terms of 4 years (previously 6 years) becoming effective:

- at the next renewal date of existing appointments;
- immediately for new Directors to be appointed from the date of the AGM onwards.

Each Board member, as required, holds at least one share in the Company. They are therefore bound by rules and regulations regarding ownership of shares, particularly regarding the use of privileged information. The current members of the Board have been selected due to their knowledge and experience, in order to work for the shareholders and the Company's benefit. Each year, the Board reviews the suitability of each of its independent members according to the AFEP/MEDEF criteria.

During the year the Board of Directors consisted of the following members:

- Dr. Gilles G. Martin, Chairman of the Board and CEO
- Valérie Hanote, Non-Executive Board Member
- Dr. Yves-Loïc Martin, Non-Executive Board Member
- Drs. Ir. Wicher Wichers, Independent Non-Executive Board Member
- Stuart Anderson, Independent Non-Executive Board Member

Dr. Wicher Wichers has had a long career in the laboratory testing industry, having established Analytico BV, a laboratory group in food, environment and pharmaceutical testing, which was later acquired by Eurofins in 1999.

Stuart Anderson is a seasoned food industry professional, with solid management experience in international food and consumer business.

No conflicts of interest have been declared by Board members. The Board met 14 times in 2011 and the attendance rate was 66%.

Prior to the meetings, 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.

In the course of the meetings discussions concerned the following: settlement of the consolidated accounts and the parent financial statements, budget reporting, net profit allocation, shareholder remuneration via dividends, capital increase in relation to stock option exercises, convening of the Annual General Meeting, and the investigation of all pertinent documents. In addition, decisions and debates were held on the strategic direction of the Company, the hybrid bond increase, the conclusion of a "Schuldschein" loan, all major transactions, the project to transfer the registered corporate seat of Eurofins Scientific SE to Luxembourg, corporate governance, the appointment and remuneration of the Board and top executive managers, allocation of stock options, and director's fees.

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

Remuneration and benefits of Management Board members

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 AFEP-MEDEF of April 2010 on the remuneration of Board members of quoted companies. There have been no new or renewed director appointments since that date.

The Group is currently deliberating putting in place a combined remuneration committee and nomination committee. This will be formally considered once the existing changes to the governance structure are completed, so that the mid-term future of the Company can be decided independently.

Limitations on the Chairman's Powers

The Board of Directors has taken the decision not to separate the roles of the Chairman and Chief Executive and has put no limitations on the powers of the Chief Executive. This governance structure is deemed most suitable for rapid decision-making regarding business strategies.

2. Directors' Holdings

The summary as of 31 December 2011 is as follows:

As of 31.12.2011	No. of Shares	No. of Stock Options
Gilles G. Martin	1	0
Yves-Loïc Martin	14,546	0
Valérie Hanote	1	0
Wicher R. Wichers	10,001	8,500
Stuart Anderson	355	1,000

Analytical Bioventures SCA, which is controlled by Gilles Martin and Yves-Loïc Martin holds 6,509,570 shares.

The following committees have been appointed by the Board of Directors to contribute to the efficient running of the company. The terms of reference of each committee are determined by the Board.

3. Group Executive Committee

The Group Executive Committee (Management Board) carries out the Group's strategy and handles the day-to-day business. It monitors notably the results each month.

During the year the Group Executive Committee was made up of the following members:

- Dr. Gilles G. Martin, Chairman of the Board and CEO
- Dr. Matthias-Wilbur Weber, Asia Pacific and Product Testing
- Mr. Luc Leroy, Pharmaceutical Services
- Mr. Dirk Bontridder, Food Testing Northern Europe
- Dr. Markus Brandmeier, Food Testing CEE and Latin America

The Executive Directors meet on average once a month with an attendance rate that exceeds 90%.

4. Audit Committee

The Committee meets once or twice a year and gives the Board of Directors an advisory opinion about the financial communication, risk management, internal control and compliance with the rules and regulations that govern the Company, as well as on the objectivity and the effectiveness of the internal and external auditors' work and opinion.

The Audit Committee met once during 2011. The meeting discussed specific items such as following up internal audit work, the consistency and process harmonization following implementation of information systems by Group Finance, planning the reporting process for the year-end closing, financial risk management especially with respect to the Group's financial covenants, and the renewal of the appointment of an auditor. The committee conducted a detailed review of the risk management procedure of its insurance policies. The Senior Finance and Accounting Directors also presented the company risks and its off-balance sheet items. Also during the meeting, the auditors presented their assessment of the Group, and approved its accounting methods.

The Audit Committee consists of three members with the following major tasks in their terms of reference (set out by the Board of Directors in October 2002):

- Monitoring of the reporting procedures and budgeting;
- Supervision and review of the internal audit and control;
- Review of the internal procedures in terms of approvals and signatures;
- Selection of the Company's auditors, and nomination of new candidates when the current auditors' mandate ceases;
- Analysis of the Company's risks factors;
- Proposals to improve the Group's reporting tools and control of their implementation.

The Audit Committee consists of the following members:

- Stuart Anderson (Chairman)
- Dr. Yves-Loïc Martin
- Valérie Hanote

5. Shareholders Rights

In every matter the Board of Directors is careful to protect the rights of all shareholders:

Each share gives an equal right to participation in the Company's share capital. The Board of Directors supported the principle under French law of double voting rights for long-term shareholders, which rewards commitment to the Company and enables management to take a more strategic view of investment decisions. Following the transfer of the legal corporate seat of Eurofins Scientific SE to Luxembourg, this regime will be replaced by a similar mechanism. The practicalities of payment of the dividend are determined by the Annual shareholder meeting, or delegated to the Board of Directors.

Annual General Meeting

The Annual General Meeting of Eurofins Scientific SE was held in Lille, France on 29 March, 2012. Further details on the rights and obligations surrounding the AGM and the agenda items proposed for that meeting are contained in the French version of this report.

6. Internal Control

The role of internal control in the Company is to balance the objectives of the Group, such as maximising shareholder returns through strong growth in revenues, both organically and by acquisition, 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 controlling the risks inherent in the business and the protection of shareholder interests.

The function of internal control has been defined and implemented by the directors, senior managers and the employees to ensure that the following objectives are achieved:

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

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. Internal audit teams review the procedures and are responsible for the application of the internal control systems. Overall, this enables the Group to manage the existing and potential risks.

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

On a functional level, internal control aims at:

- 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 concern 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.
- Promoting better effectiveness by seeking and deploying best practices within the Group, aiming at 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.

The internal control process falls within the 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.

Summary description of the organisation of internal control

The finance teams, who are the shared responsibility of two or three Senior Finance Directors (who in turn report directly to the Chief Executive), are principally responsible for the day-to-day implementation of the internal control

procedures. The financial management of the Group comprises the following members:

- Senior Finance Director in charge of accounting and controlling, internal audit and information reporting systems
- Senior Finance Director in charge of purchasing, M&A and treasury
- Senior Finance Director in charge of tax and legal, and investor relations and corporate communications
- Finance Director of the parent company (notably responsible for Treasury and financing of the Group and Legal obligations of the Holding company)
- Legal advisor to the parent company
- Tax and legal counsel
- Group Financial Controller
- A team of four financial controllers, in addition to a business intelligence expert
- International Financial Controller
- Group Purchasing Manager
- A team for deployment of finance, accounting and purchasing software
- Investor Relations and Corporate Communications team

Internal Audit

The role of the internal audit team is central in maintaining effective internal controls. The following elements make up the major roles of the internal audit team:

- Coordination of internal audit work, internal control and following the recommendations of the external auditors
- Supervision, improvement and review of the processes for collection and control of financial information in order to ensure the relevance and consistency of the accounting methods
- Review and further improvement of the accounting processes and evaluation of operational risks
- Advice on the organisation and work programme of the accounting function
- Control the Manual of Procedures of the Group, in particular the application of the approval process
- Proposals to improve Group management reporting and their implementation of such proposals

In 2011 the Internal Audit function reviewed the following as part of their duties:

- An evaluation of the organisation of finance and administrative teams
- The implementation of recommendations of the external auditors
- A review of important or strategic investment projects
- A review of internal control procedures
- Further development of Group recommendation procedures

Guidance and Manual of Procedures

Part of the role of internal audit is to draw up manuals detailing the regulations and controls that enable high quality corporate governance. Compliance with these rules and procedures is then regularly audited as described above. The manual of procedures contains best practice methodologies for use in the Group, covering the following areas:

- Recommendation for setting Limits of Authority of MDs of Group companies
- Financial calendar
- Organisation and Group Structure
- Accounting and Consolidation
- Reporting and management control tools
- Budget and forecasts
- Treasury and finance
- Taxes and charges
- Insurance
- External communication
- Legal
- Acquisition procedures
- Human resources
- Internal audit

The Group's financial procedures are updated and enhanced on a regular basis, and are readily accessible to the relevant employees via the company intranet.

Implementation of the reporting tools

The IT systems are constantly monitored in order to check the accuracy and sufficiency of information provided by these systems. The internal audit team aims to improve the controls and the procedures applied wherever possible. Recommendations are monitored at regular intervals.

Organisational audit

Frequently, a specific part of the administrative process is selected, in accordance with the proposals of the finance team and the audit committee, and is audited in order to have a clear vision and understanding of the organisational key points and compliance with regulations. Recommendations for improvement are then implemented.

Data room

In 2010, the Company created an electronic data room on its intranet platform to make appropriate documents accessible to relevant employees. This tool facilitates more efficient communication and updates of key documents within the Group. In particular, the data room contains key financial and legal documents sorted by legal entity.

Description of the procedures regarding the production of financial information

The Company recognises that 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.

Goals have therefore been set to achieve this objective:

- Providing the Group Executive Committee with relevant financial data so as to run the Group's operations, comparing the actual data with the budget and the forecasts;
- Producing a common reporting format to enable an easy and focused review;
- Reducing the necessary time to produce the financial information;
  - Harmonising the format of the reporting tools according to the Group's management structure at international, national and Business Unit level.

To achieve these goals, the Group's finance team has set out clear corporate reporting procedures. The internal reporting process is managed using a dedicated software by the financial controlling team.

Regular pro-forma reporting

Each subsidiary or business unit submits in principle 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;
- from time to time, 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;
- a quarterly review of budgeted KPIs per business unit; and
- a quarterly review of Group corporate costs (Group management, sales and marketing, etc)

The consolidation documents are approved by the finance directors of each country. They commit to provide reliable information. Before each consolidation process, the finance team sends directions to each subsidiary outlining the common assumptions to apply as well as the specific points to take into account. Dedicated software is used in the consolidation of this information and the production of the financial statements.

7. Publication of Financial Information

This quarterly consolidation is reported to the financial markets. Until 2011, Eurofins' quarterly communication included a press release, a full income, balance sheet and cash flow statements, as well as all relevant interim notes. As announced at the beginning of 2011, the Company will move to a half-yearly reporting as from 2012, in line with the practices of its industry peers. For Q1 and Q3, the financial and operational performance of the Group will be communicated through a more detailed press release only.

8. 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 Executive Committee 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.

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.

9. 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 Executive Committee).

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.

10. 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

11. 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 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 interests 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.

VI. Risk Factors

All companies face risks in their day-to-day operations. The best companies are the ones that are able to identify the key risks and to manage them in such a way that minimises their potential negative impact and exploits their potential benefits.

Eurofins bases its decisions, plans and objectives for the future on its current views and expectations of the risks facing the business. Not all of the risks may be within the companies' control, or may currently be deemed not to be material or may not currently exist. Indeed the nature of risk is that no list can be comprehensive. However, some of the factors that could lead to significant deviations from the expected results or otherwise have a material negative impact on the assets and/or operations of the company are described in greater detail below.

1. Risks for 2012

In 2011, as part of its risk control and annual reporting process and in view of the current economic environment, the Company carried out an evaluation of the risks that it faces in the short and medium term. It considers that the following risks are those that could specifically affect the business in the coming year (in relation to the likelihood of the other listed risks):

a) changes in the market: as seen in recent economic downturns, major structural changes in the market can have an impact on Eurofins' business, particularly its rate of growth.

b) regulations and the regulatory environment: new regulation, or potentially more seriously, the removal of regulation, could impact certain segments of the Group's more regulated markets.

c) customer risk: changes in customer behaviour, either in the short term or long term, would have a profit and loss, balance sheet and cash flow impact.

d) financial risk: despite being sufficiently funded for its growth plans in the medium term, Eurofins is not completely immune to further financial and funding risks in the face of growing economic uncertainty particularly in Europe. The Group remains prudent in its approach to funding, in the event that further shocks in the financial system cause constraints in the funding environment.

e) professional liability/insurance for errors & omissions: as stated in the section below, in spite of measures taken by the Company to limit this risk, it can never be fully excluded

Each risk is fully explained in the relevant paragraphs below.

General Risks

Management 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.

2. Commercial Risks

Changes in 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 2011, the fragile recovery of the world economy was decidedly reversed following the sovereign debt crisis that started to unravel in Europe. The impact of countries' inability to contain the crisis has been far-reaching, with growth rates universally reduced for most, if not all, countries in the Western world. The extent and possible duration of the economic crisis is still unknown. The slower growth and funding squeeze may negatively impact some or a large number 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 Scientific 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. The Company 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, the Company 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 the Company performs are subject to possible regulations by governments. The international bioanalytical industry is strictly regulated. Supranational, national and regional administrative authorities and agencies supervise the testing, approval, manufacture, storage, import, export, labelling and sale of bioanalytical products and testing methods through a number of laws and regulations. In addition, this strict regulation also

entails the verification of the safety, effectiveness and side effects of bioanalytical products and testing methods. The legal parameters are subject to continual change. Environmental testing activity is strongly influenced by governmental regulation and the authorities' supervision of industrial compliance testing (discharge and exposure limits). There is no guarantee that future changes in the pertinent legislation will not cause significant costs to the Company or force the Company to modify its activities in certain areas.

The Company's business activities are influenced by comprehensive official regulations in nearly every country in which the Company 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.

With some exceptions that mostly relate to compliance of buildings, detention of radioactive standards or controlled substances, the operations of Eurofins Scientific as a group of analytical laboratories are presently not subject to administrative approval. Most of Eurofins Scientific's European and U.S. laboratories have nevertheless been accredited with the recognised standard ISO 17025 or the respective U.S. standards by the official organisation authorised in each country (i.e. COFRAC in France, DAR in Germany, STERLAB in the Netherlands, DANAK in Scandinavia, UKAS in the U.K. or FDA, DEA or USDA in the USA). While the Company makes every effort to devote sufficient resources to ensure that accreditation is maintained, it cannot guarantee that accreditation will always be granted by the relevant bodies. If these official accreditations were withdrawn, the companies concerned would still be allowed to trade but their market image would suffer and their services would be less attractive for customers. However, 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 Scientific could have significant negative effects on the Company's net worth, financial position and operating results.

Customer risk

Given the quality of Eurofins Scientific customers, the Company believes the risk of bad debt is relatively 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 debt 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 Eurofins Scientific has a large number of customers. The Company wishes not to be dependent on any single customer. The Group's biggest customer represents approximately 3% of consolidated Group revenues and the first 10 customers of the Company represent altogether around 10% of the consolidated revenues. However it cannot be ruled out that in future Eurofins Scientific will be dependent on several major clients. The loss of one or more of these customers would in that case have an adverse effect on Eurofins Scientific net worth, financial position and operating results, or in extreme cases, its very existence.

The amounts relating to trade accounts receivable and bad debt provision are contained in note 3.7 to the financial statements.

Subcontracting

Recourse to subcontracting outside the Group is limited and represents less than 5% of the consolidated revenues of the Company. 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 Scientific's 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 Scientific 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 Scientific will someday be dependent on one or more suppliers. Should those suppliers no longer be available to the Company, this could have adverse effects on the Company's net worth, financial position, and operating results.

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

Eurofins Scientific maintains subsidiaries or representation offices in Austria, Azerbaijan, Belgium, Brazil, Bulgaria, China, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Ireland, Italy, Japan, Luxembourg, The Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, Thailand, Turkey, the U.K., Uganda, Ukrania and the USA. In addition, Eurofins Scientific bases a large part of its future growth on expected penetration of new regional markets. The establishment of foreign business locations and the set-up and expansion of national sales and

distribution organisations require high levels of investment and is associated with special financial risks. Start-up losses must be taken into consideration when expanding the Company's geographical presence. Other risks inherent in the Company's international business activity, in addition to the general risks of any activity abroad, include differing economic situations and different legal and tax systems. In addition, the Company must establish appropriate management capacities with a good market and industrial knowledge in order to successfully expand its business activity there.

Even though the Company 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 and problems depicted above could lead to a delay or even a failure in implementation of Eurofins Scientific's international growth strategy, attempts at market development and entry into new markets. This would have a material adverse effect on the Company's net worth, financial position and operating results.

Risks from the acquisition of companies, new laboratories and technologies

It is the strategic approach of the Company to acquire companies, new laboratories and technologies in order to obtain access to complementary technologies and to expand the Company's market position in Europe, North America, Asia or other parts of the world. The success of the acquisitions of the Company depends on various factors, including the successful incorporation of these new acquisitions into the Eurofins Scientific Group. 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 the Company's net worth, financial position and operating results, even though acquisition transactions are prepared and evaluated with a level of caution and business diligence that the Company 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 the Company. There is no guarantee that the acquisitions of the Company will be a success.

Competition

The Company is aware that it has competitors and that this will continue to be the case. However, the Company assumes that it has a competitive market position through the profile of its testing methods. Estimates provided elsewhere in this report about the Company’s market position are based on internal knowledge only. In the Company's view, there is currently no evidence to suggest that the Company will be unable to defend its market position in bioanalytical testing. The Company has been constantly improving its technologies and the Company believes that the experience gathered in terms of analytical procedures should enable it to retain its market position in its main areas of analysis of food, pharmaceutical and environmental testing. However, there is no guarantee that current and new competitors who appear on the market in the future will not develop or successfully introduce analyses that are deemed to be equivalent to or better or more cost effective than those offered by Eurofins.

However, the Company believes that its know-how and its expertise accumulated by its scientific teams, in particular its database of methods and test results should enable the Company to retain its technological leadership and market position. Nevertheless, there is no certainty that the Company 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 the Company's markets.

Some of the current and potential competitors have longer business experience or greater financial resources or marketing capacities at their disposal than Eurofins Scientific. Some have a better-known name in their market segment and a larger customer base. Eurofins Scientific 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. The Company 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 the Company and attempt to undercut the Company's prices. An increase in competition could lead to price reductions, decreased sales volumes and lower profit margins, as well as limitations on the Company's expansion efforts and a potential loss in market share. All of the above factors could have adverse effects on the Company's net worth, financial position, and operating results and even its very existence.

Cost pressures and profit margins

Until now, the Company 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, the Company's costs could grow due to increased expenses for personnel, materials and other areas. Although the Company will attempt to maintain or improve profit margins through measures to increase cost efficiency, there can be no certainty that the Company's profit margins may not significantly decrease in the future. Sustained erosion of its margins would have adverse effects

on the Company's net worth, financial position and operating results and even its very existence.

3. Financial Risks

Liquidity risk, Earn-out risk, interest rate risk and currency risk

A description of these risks, their associated sensitivities and the potential impact on Eurofins' financial statements can be found in the notes to the financial statements and in more detail in the French "Document de Reference".

The Company 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 the Company 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.

Bearing in mind the liquidity crisis that has been affecting the banking industry on a global basis since the end of 2008, and exacerbated by the sovereign debt crisis which came into the fore in 2011, which makes access to the credit markets more difficult or uncertain for corporate enterprises, it is probable that the Company will bear a higher cost to its short, medium and long term lines of credit than was available previously.

It is not impossible that the Company 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 the Company's net worth, financial position, and operating results and even its very existence.

Future capital requirements

Eurofins Scientific's strategic growth, particularly the acquisition of new laboratories and technologies in order to obtain access to complementary technologies and to expand the Company's market position on different continents, requires the extensive use of resources. The Company believes that it has sufficient internal funds for its current needs. It cannot be ruled out, however, that the Company 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 the Company to restrictions in dividend payouts or other restrictions. In light of the ongoing debt crisis 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 the Company may be forced to limit the planned expansion of its business activities. Furthermore, if the Company's business activities are incurring deficits at that point in time, and should additional Company funds be unavailable to finance its business activity, it cannot be ruled out that the Company will be unable to maintain its operational business activity.

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. Company 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. Company revenues may also vary from one accounting year to another. Fluctuations in the Company revenues can have a strong impact on various factors within the business. These factors include the acceptance of the present analysis methods of the Company, the changes in the operating charges of the Company, the changes in terms of staff and employees, increasing competition, the economic and market conditions, the financial health of the Company's customers, the legal changes that could have an impact on the Company's activities and other economic factors. Fluctuations in the Company's revenues and results may have an additional significant impact on the level and volatility of the Company's stock price.

4. Technological Risks

Patents

Whilst the Company has now broadened the scope of its activities and is as reliant on development and application of processes as on research and intellectual property, its success is still to some extent, amongst other things, dependent on the most comprehensive protection possible for its technologies and analytical methods as well as on maintaining Company secrets and not infringing upon the industrial property rights of third parties. The Company has up to now, and will continue to in the future, filed patent applications as soon as possible for the protection of some of its technologies and their use in the bio-analytical market. Currently, analytical methods complementary to the SNIF-NMR method are generally known to have no patent protection. If this ceases to be the case, the Company would seek a licence to be permitted to apply such methods in practice.

The patent positions of technology-based enterprises as the Eurofins Scientific Group are subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and priority of a particular patent.

Firstly, there is no guarantee that patents for future technologies of the Eurofins Scientific Group will be granted to the extent desired or at all. If a patent were not granted, it would be possible for competitors to copy and use the unencumbered technologies free of charge, as long as they had the necessary resources and required know-how.

Furthermore, as is the case with approval procedures, several years may elapse until a final decision is made on the objection. A patent application guarantees neither that a patent will

ultimately be granted with the full scope of protection desired, nor that a patent will be legally sustainable over time once issued.

The Company 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.

At the current time, various applications for patents have been filed by the Eurofins Scientific Group. According to the knowledge of Eurofins Scientific there are no significant claims against material applications at this point. However, there is no certainty that such claims will not arise in the future. There is no guarantee that all of the applications for patents filed will successfully pass the examination process. There is a risk that the Company could be subjected to patent litigation with third parties and that an examination process could end with a negative result for the Company. This could have a negative effect on the net worth, financial position and operating results of the Company.

There is no guarantee that a patent granted to the Company could be legally valid and nonetheless be successfully challenged. Although the Company considers this case to be improbable, the invalidation or limitation of its (licensed) patents could have a negative effect on its business activities.

The patent protection for the technologies of the Company is subject to time limitations. For example in 2002/2003, the initial patent on which the current isotopic SNIF-NMR technology relies has entered the public domain. However, as the Company has diversified away from reliance on this technology and given the enormous "entry ticket" anyway the Company believes itself to be in a good position to remain one of the leaders in the market with respect to the industrial applications of the SNIF-NMR technology, even after expiration of the patent.

In addition, it cannot be ruled out that patent rights will not be identified in the future that can significantly impair the Company's business activities. For example, no guarantee can be given that the research conducted by the Company and its patent attorneys has actually uncovered all relevant patents/patent applications. Likewise, it is possible for competitors to develop technology processes that the Company would like to use, but with respect to which the Company cannot obtain a license nor have the rights thereto invalidated. The Company 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 the Company's' markets so far and the cost, duration and uncertainty of legal action, the Company 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 the company with a negative impact on the Company.

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 the Company or patents the Company 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 the Company, and if the court hearing the case were to decide that the Company 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, the Company 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 the Company's 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 Company personnel and its financial potential.

Neither Eurofins Scientific nor its patent attorneys can guarantee that patent rights of third parties do not exist that could impair the business operations of Eurofins Scientific. 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 Scientific and its patent attorneys. This could result in Eurofins Scientific or one of its business partners being charged with patent infringement, although neither Eurofins Scientific nor its patent attorneys had viewed the corresponding action in this document as a patent infringement.

Licenses and research contracts

The Company's 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 the Company 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 the Company's collaborative partners will not pursue or develop competing technologies or products, either on their own or in collaboration with others. The Company's 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 the Company. There is no certainty that license agreements that expire or are terminated will be renewed or replaced which could have an adverse effect on the Company's business, financial condition, operating results and prospects.

Confidential information

Eurofins Scientific has confidentiality agreements with numerous customers not to disclose the results of analyses or other confidential information. If these agreements are broken the Company 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 of up to 3 years 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 Scientific should mitigate any impact resulting from information leaving the Company.

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

Technological change and dependency on product developments

The market for bioanalytical testing including food, pharmaceuticals, cosmetics and chemicals is subject to constant technological change, as well as changing customer requirements and further development in technical standards. In order to limit risks related to the development of new analyses, the Company maintains a constant watch of new technological developments and has undertaken joint venture projects with universities and other leading-edge scientific research centres. However, it cannot be ruled out that technological innovations could render obsolete some part of the analyses currently performed by Eurofins Scientific. In addition, progressive technological change and its increasing market acceptance could result in a gradual loss of market acceptance for the Company's current products and services.

The future financial success of the Company depends upon its ability to maintain a first class technological position and to keep up with rising user-orientated requirements. Should the Company be unable to do so in whole or in part, this could have an adverse effect on the Company's business activity as well as on its net worth, financial position, and operating results.

Research & Development projects: risk of failure

In the past Eurofins Scientific 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 the Company 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 the Company's profits and financial position.

5. 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 Scientific, and which represent an integral part of its technological advance. If the databases are destroyed the Company's business could be damaged. To limit the risk of a partial or total destruction, the main databases are kept in Group facilities that are generally protected by an alarm system linked to a central surveillance system. For further security, the Company and its subsidiaries frequently undertake back-ups of the databases, which are then stored offsite.

Contamination risks

Eurofins Scientific 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 the Company, in addition to negative effects on the Company's image and reputation.

Professional liability/ insurance

Eurofins Scientific's business contains the potential risk of substantial liability for damages in the event of analytical errors where Eurofins Scientific 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, the Company's liability could be very large.

The Company 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 Scientific for the analysis of products generally mention that the company's liability can only be engaged for damages directly arising from the products that have been examined by Eurofins Scientific. The Company 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 the Company's business and risk management policy to have product liability insurance, third party liability insurance, property and casualty insurance and other insurance required for its operations. The Group's operational subsidiaries generally subscribe in particular to professional liability insurance specific to their applicable national regulations and obligations. On top of this the Group's parent company has subscribed to "Umbrella" insurance policies for professional liability that operates under (subject to certain conditions and restrictions) different limits and/or different conditions to local policies. For confidentiality reasons, applicable limits cannot be disclosed.

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

o Property and Casualty

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.

o Directors and Officers liability (D&O policy)

The subject of the D&O policy is to cover the insured Company's Directors and Officers including some key managers (such as the Chief Financial 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 the Company has taken out Key-Man insurance in case of the death or invalidity of Dr. Gilles G. Martin for coverage of €5.5m.

In the opinion of Eurofins Scientific, it has procured sufficient insurance coverage at reasonable terms and conditions. The Company believes that save for catastrophic damages, its insurance policies and coverage limits provide sufficient protection for the Company's 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 the Company in the future, that the Company's insurance coverage will prove to be insufficient in certain cases and that the Company will not sustain losses outside the scope or limits of its insurance coverage. This could have adverse effects on the Company's net worth, financial position and operating results. In addition, major analytical errors could have a negative impact on the Company's image and reputation.

6. Other Risks

Tax risks

In the opinion of the Company, its tax returns, which it prepares in cooperation with its tax advisers/ accountants, are accurate and complete and it has established adequate tax provisions and reserves. In the event of an external tax audit, the Company therefore does not expect any material changes to its tax assessment notices or any additional tax liability. However, the Company may be subject to additional tax liability, if the tax authorities' interpretation of the facts should differ. This could have adverse effects on the Company's short-term cash flow and thereby have adverse effects on its net worth, financial position and operating results.

Risks of litigation

Currently there are a few lawsuits, pending or ongoing, concerning subsidiaries of the Company. However, based on information available at this time, the Company and the attorneys of the respective subsidiaries do not consider that the financial impact resulting from these potential or present lawsuits will be materially higher than the charges and provisions booked with respect to those cases (see note 3.16).

In 2009 Eurofins disclosed specific proceedings in a suit against Bioalliance Pharma SA and Dr. Gilles Avenard (BioAlliance COO), where the Company is attempting to recover from the aforementioned amounts paid to settle a third party claim for infringement of intellectual property. Subsidiaries of the Company have been counter-sued as a result but Management believes that the claims formulated are without merit. Following the decision from a US court in 2010 to reject the suit, the relevant Eurofins companies have decided to pursue the case in France. In the absence of new developments from the French tribunal in 2011, the situation remains unchanged. As was the case then, all costs to date have been expensed and therefore the Company has a neutral cost position in terms of exposure.

Eurofins is optimistic about a positive outcome, but as with all litigation there is no certainty with regards to the outcome. Other legal disputes than the ones mentioned above, such as a lawsuit seeking damages in a case where Eurofins acted as a subcontractor for testing of a product which had to be recalled, or any unresolved legal disputes that occur from time to time regarding employees pending at industrial tribunals are, in the view of the Company and of its attorneys, also not materially likely to lead to damages substantially beyond those provisioned for in the Company's accounts or covered by insurance. Customers or third parties can legally pursue Eurofins Scientific in the event of an analytical error, whether presumed or actual. Consequently the Company has taken out professional liability insurance in the countries in which it operates (see para. Professional liability/ Insurance above). However, it is not certain that the insurance cover would be adequate in the event of a major claim.

Risks of social actions

Strikes, labour disputes, or other social actions might increase labour costs or lead to other disruptions in some of the Group's laboratories and therefore affect production, delivery of customer orders and ultimately the revenues and results of the business. There may also be costs related to these risks such as legal expenses. However, the Company believes that it is likely that these strikes or disputes will occur only in a regionally limited way at any one time.

Fraud/ethical risks

The Company 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 the Company's 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 the Company and even put its existence at risk

Dependence on persons in key positions and qualified personnel

The Eurofins Scientific Group's success depends largely upon the continued contributions both of the management board and executive committee, in particular Dr. Gilles G. Martin, other board members and the Company's research teams. The departure of one or more management board members, key business unit or country managers, or of highly skilled employees could have an adverse effect on the Company's business activity or reputation. If one or more members of the management board or skilled and experienced employees should depart, there is no guarantee that the Company will be able to find qualified managers or employees for continued operation of the business in its current form within an appropriate time period. However, responsibilities and expertise are spread throughout the Company amongst various managers and key-employees. Additionally, since 1997 Eurofins Scientific has instituted various stock option plans to encourage stability in the management and to retain skilled employees.

The Company's financial success also depends on whether it is able to acquire, train, and provide long-term employment for skilled employees as part of the Company's planned expansion of its business activity. Within the course of the planned expansion of business activity, the areas of sales and distribution, marketing, and technological development in particular must be strengthened. The Company proceeds on the assumption that it will continue to face increasing competition in the recruitment of skilled employees. Should the Company fail to acquire or retain skilled personnel in sufficient numbers and under appropriate conditions, this could have an adverse effect on the Company's business activity and its net worth, financial position and operating results. However, the Company believes that measures such as the instituted stock option plans and bonus schemes for key managers are an appropriate means to increase its attractiveness for future employees.

Company organisation

The Company's development in past years has been characterised by continuous growth. This growth has led to high demands on management capacities and operating resources. In the past, the Company was able to adapt its corporate structures and business processes appropriately to meet the needs of growth. Building on the existing range of products and services, the Company plans to further expand its current business activities. This growth in business volume will necessitate a growth in sales and distribution as well as in internal administrative processes, such as operational accounting. The Company is making efforts to acquire and/or expand the necessary personnel and technical structures. However, there is no certainty that these measures for expansion of the internal corporate structure will be sufficient to meet the increased requirements of further growth. There is also the risk that the efforts made in this regard will make such significant demands on management resources that they lead to limits on current business operations. This could have adverse effects on the Company's net worth, financial position, and operating results.

Volatility of the market price of shares

The shares of the Company have been listed on Euronext Paris since 25 October 1997.

The number of shares held in free float, changes in the Company's operating results and the operating results of its competitors, as well as changes in the general situation of the bioanalytical market, the overall economy and the financial markets could cause considerable fluctuations in the price of the Company's shares. In general, securities markets have been especially subject to large price and volume fluctuations in recent years. Regardless of the Company's operating results or financial

position, such fluctuations could continue to have an adverse effect on the price of the Company's shares in the future.

Future reported results could be significantly higher or lower than the planned results due to many of the factors outlined elsewhere in this section, particularly the trends in demand throughout the economy, shifts in the customer and consumer structure, or effects internal to the Company (e.g. failure to further develop existing products, etc.).

Concentration of current ownership and double voting rights

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 45.5% of the shares of the Company and 61.8% of the voting rights. Free float is 54.5% of the Company's capital stock and 38.2% of the voting rights.

Because of the concentration of current ownership, 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. In a French-based company, such as Eurofins Scientific, this applies even more with regard to the Double Voting Rights of long-term shareholders. This could have an impact on the Company’s success or to the perceived valuation of its shares.

* please refer as well to the General Information about the Share Capital and the information on Shareholder purchase/ sale agreement.

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 the Company's 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. The Company 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.

VII. Social & Environmental Information

Central to the culture and success of the Eurofins Group is its commitment to fair and responsible behaviour towards its clients, employees and shareholders. Eurofins is aware that it has a wider obligation to all stakeholders and that the success of the Company in the long term is dependent on these stakeholders.

The Group's Code of Ethics provides guidelines that drive the policies that promote the welfare of all our stakeholders, and reflect the respect that the Group cultivates among stakeholders and towards the environment. The Group has also implemented a whistle-blowing guideline to help ensure that its values are maintained.

Social Information

Employees

The average weighted number of employees, expressed as full time equivalent (FTE), increased to 8,742, a 21% increase from 2010. The large increase is due mainly to the addition of Lancaster Labs, which at the time of acquisition, had just under 1,000 employees, and other smaller acquisitions during the course of the year. The geographical distribution of Eurofins' FTEs is as follows:

FTEs by region	2011	2010
Benelux	750	713
France	1,697	1,437
Germany	1,936	1,836
North America	1,566	622
Nordic Countries	1,101	1,128
British Isles	526	423
Other	1,166	1,034
Total	**8,742**	**7,221**

The Group's total headcount at the end of the year was 10,905.

Remuneration, welfare taxes, sexual equality

The Group's personnel costs, including social security and pension costs amounted to €401.4m or 48% of 2011 revenues (€327.6m, 48% in 2010). The average social charges rate (social charges as a percentage of sales) depends on where in the Group people are employed, as local regulations differ.

Eurofins companies have a remuneration policy designed to encourage both the individual and collective performance. Remuneration is determined at each subsidiary's level, allowing local management to set individual and collective rates. The Group also allows autonomous determination of the fixed and variable elements of employees' remuneration. The variable element grows as the level of responsibility increases and in general represents up to 40% of fixed salary. This variable element is based on the achievement of objectives set during an annual review. The objectives are specific to each employee but are generally aligned with the relevant company's or the Eurofins Group's own objectives. For example, for senior operational managers it is frequently related to the increase of profits or the generation of economic profit. 99% of senior managers had an annual evaluation with their direct manager during the year, unchanged from the previous year.

The Group encourages long term loyalty amongst employees and believes that it is a major contributor to its success. Therefore Eurofins has developed, since its listing in 1997, an employee stock option scheme that enables a large number of Eurofins' staff to participate in its success. Further details on the option scheme are contained in the relevant section of this report. In addition, as part of the issuance process for the OBSAAR instruments in 2006 and 2010, the Group made sure that Eurofins managers were able to purchase the warrants attached to each bond, under the condition that they were not exercised for 5 and 2 years respectively. Finally, when and where deemed appropriate employees are also encouraged in ordinary share purchases. A combination of these factors means that according to a management estimate, less than 3% of the Eurofins share capital is owned by management and employees. See the Share Capital section for further information.

The Company believes that the good management of employees, in particular with regards to their competences and skill levels, has resulted in the enhancement of our operational and reporting processes. This requires high-quality recruitment and training as well as an attractive wage policy. On this basis our objective is equality of treatment between male and female employees in each subsidiary within the Group. The proportion of female employees within Eurofins is stable at roughly 60% with c.25% represented in management at present.

Working Hours

The weekly working hours for employees vary from country to country according to respective employment legislation. The average number of working hours is in the region of 35 to 40 hours per week for full time employees. There is a wider range of average working hours for part time employees, especially between different countries, but an indicative range would be approximately 15 to 30 hours a week.

As part of our analytical testing services it is sometimes necessary to work supplementary hours when a customer has requested a short turn-around time and fast results. Normally this extra time will be repaid either by financial compensation or compensatory time off, depending on the policy of the laboratory in question.

Absenteeism is not measured in a homogenous way across countries but on average it is estimated to be in the region of 3%.

Interim, Fixed Term and Permanent contracts of employment

The Group estimates that around 90% of Group staff is on permanent contracts (contracts of undetermined length). In general the need for interim or fixed term contractors is limited by the high level of technical competence necessary in the analytical sector and our requirement to deliver a high quality of service.

The Group had no particular difficulties overall in recruiting staff in 2011, even though there are differences between individual sites and countries. However, the requirement for a high level of technical competence outlined above means that the recruitment process can take several months.

Measurement of turnover of staff at Eurofins is made very difficult due to the current stage of evolution of the Group, whereby the process of acquisition, consolidation, start-ups and closures is an integral part of the business. In general at the mature, stable laboratories it is low.

Staff reduction plans (employee protection, retraining schemes and counselling)

As with most rapidly-growing and acquisitive companies, Eurofins may, at any given time, be engaged in some restructuring or consolidation, at one or multiple sites in order to maintain the Company's efficiency and competitiveness. These may sometimes result in redundancies, although the Group prefers to exhaust other alternatives, such as employee relocation. In some cases this is accompanied by measures to facilitate the move, such as travel allowances and flexible working hours.

Employee culture and Collective Agreements

Eurofins recognizes that the Group's strength lies in the talent and dedication of its employees. Thus, the Group encourages and rewards collective performance The Company is enriched by the successful integration of so many different cultures (illustrated by three different nationalities on the Group Executive Committee alone).

We believe that our employees should enjoy the experience of playing a part in the adventure of Eurofins. We have promoted a common culture through the communication and application of our Leadership Charter and our Vision, Mission and Key Values at Eurofins, whilst emphasising the improvement of our internal processes. More than ever the Group now offers the prospect of a successful career to motivated and qualified employees.

The Leadership Charter and Key Values are to be found on the Group website (www.eurofins.com) and in the Ethics section below and are displayed in all our laboratories. Also through the intranet our staff are able to find, in real time, information on the Group, project and job information and an international directory of employees.

In addition, there exist a number of collective agreements within subsidiaries and affiliates. Variation in this is normally related to culture, local custom and regulations in different countries. Employee representation is usually through an employee council, elected personnel, works committees, trade unions or some such organisation specific to each country where the Group operates.

Training

Eurofins has developed a portfolio of over 100,000 different analytical tests, therefore offering an interesting and challenging environment for our scientists. Our training programmes are designed to allow laboratory personnel to keep up to date with the latest developments in testing and analysis, as well as the fast-moving IT environment towards which Eurofins is committing itself. Therefore almost every single Eurofins employee has access to training. The amount of training carried out is measured in different ways but often by an amount budgeted for annually. Each business unit then spends this as it sees fit. Other major areas of training are language training and regulated topics such as health & safety. Besides, within its new recruitments, the Group welcomes every year new experienced leaders during a week training programme called New Leaders Introduction Tour, in order to give them necessary tools and understanding to success in the Group. This training covers several specific areas such as the leadership charter (expected behaviour of leaders), the visit of benchmark laboratories with outstanding process management (incl. logistics, e-commerce and sales processes), and a review of the commercial tools and Eurofins IT systems.

On top of that, Eurofins continues to focus on a project launched in 2010 to attract, train and develop management skills of young talents to become future top leaders at Eurofins.

The exchange and transfer of know-how is a value driver within the Eurofins Group allowing us not only to maintain the high standards of quality that we offer to our clients but also to develop each individual's technical ability and proficiency. As an example, the internal communications tool, ComLIMS, was specifically developed in 2000, and is continually upgraded, in order to give access to and speed up the dissemination of scientific, technical and commercial information within the Group. This global strategy aims both at the continuing improvement of our managerial and operational competences and the optimisation of our organisational flexibility. This enables the Company to anticipate and adapt to an evolving market place. ComLIMS now has over 2,100 trained users with regular access in the Group. Further to this, internal conferences for the ASMs (Analytical Service Managers) enhance Group-wide appreciation of technical and industry-focused issues that help to build stronger customer relationships.

A number of our laboratories have agreements with universities and technical agencies to accommodate within their teams both scientists and technicians in the course of their qualifications, doctorates, post-doctorates etc. In this way Eurofins benefits from being able to use high quality personnel who have

the potential to join the Company in the future and who often possess fresh ideas and insights. The secondees in turn are able to apply their theories in a practical environment with state-of-the-art facilities.

Social Work

Eurofins contributes to various social projects and charitable work throughout the year and many subsidiaries and laboratories engage in social and charitable commitments independently.

The Eurofins Group financially supports several non-governmental charitable organisations, and has been a long-term supporter and benefactor of ProGreffe (http://progreffe.com/images/stories/lettre/5-anglais.pdf), an organization dedicated to researching organ transplants, and Plan International (http://plan-international.org/), whose objective is to alleviate child poverty.

Consistent with its critical mission of contributing to the health, safety and general wellbeing of all, Eurofins takes its social commitments seriously. The involvement with ProGreffe is motivated by the recognition that treatment of life-threatening diseases is constrained not only by scarcity of donor organs, but more importantly, chronic rejection of organ transplants. ProGreffe is involved in research in the domain of immunological recognition of tissues, raising the odds of breaking down the natural incompatibility between different tissues.

Eurofins is aware that for a vast proportion of the global population, health concerns arise due to insufficient education and access to basic facilities. Eurofins is involved in Plan International, whose mission is to alleviate child poverty and its consequent social and health problems. The Group has been involved with the organization for the past 7 years, and continues to support its missions.

Recognising the importance of our relationships with the communities where we operate, the Group lends its capabilities and technical know-how to local communities when and where needed. For example, Eurofins set up a a testing laboratory for Radioactive Material Analysis (RMA) in Tokyo to facilitate a technology transfer to support the Japanese people and the country's food industry following the tragic earthquake and subsequent fallout at the Fukushima nuclear power plant in March, 2011. Profits from the RMA laboratory are donated to the Japanese Red Cross and other public organizations engaged in welfare activities in the wake of the disaster.

Disability Policy

The Group advocates equal opportunities and provides people with disabilities the same consideration as others both within the Company, and when they apply for jobs. Eurofins cultivates a work environment where professional advancement is based solely on an individual's aptitude, performance and contribution. The precise number employed varies from country to country and depends to a certain extent on the size of the laboratory, and Group facilities are usually also enabled for disabled access.

Environmental Information

Eurofins considers that due to the very essence of its mission it is contributing to the improvement of the wellbeing of mankind and the environment. More specifically Eurofins' food and environmental testing services directly support the responsible use and minimisation of such things as pesticides, heavy metals and dioxins that are harmful to humans and the planet.

Consumption of scarce resources

In general, the activity of Eurofins as a provider of bioanalytical services necessitates the use of limited amounts of water, raw material and energy (principally electricity and liquid nitrogen). The Company is aware that the long-term conservation of scarce resources will benefit not only the planet but also its own profitability. As water, raw materials and energy are all costs of the business, managers are always looking at reducing their consumption as part of good operating practices.

However, as a fast-growing, but still small, business Eurofins does not always have the capability to measure all or any of the above scarce resources. Like-for-like reporting is difficult due to the Group's strategy of starting-up, acquiring or consolidating laboratories. Therefore, as individual laboratories get bigger and busier, absolute volumes and consumption per laboratory are likely to increase but overall volumes, as a result of scale effects and resources conservation programmes from combined laboratories, are gradually being reduced

In Brazil, plus many countries in Northern Europe (Benelux, Scandinavia), the Group subsidiaries attempt wherever possible to use renewable energy such as that generated by wind, water or the sun. Several laboratories also use energy created by recycled heat or from waste-fired energy generators.

Among other examples of energy saving measures, some units use sleep modes for IT equipments, set up timers on electrical devices, or invest in new equipments with lower energetic consumption.

Furthermore, the investment programme in new and better laboratories always results in more environmentally friendly facilities than the old ones. New heating equipment is more efficient than old equipment and modern insulation is also better at retaining heat. The European Union's incoming regulation on low-energy light bulbs will also benefit the Group.

Pollution and contamination

Eurofins uses solvents and chemical products which are kept in secure locations. After use these products are collected and recycled by specialist waste disposal businesses. In the event of accidents or fires there is a risk of contamination of the environment or our employees. This risk has been assessed as being very small in relation to the quantities used. The Group is aware that in the event of significant environmental damage there

could be a consequential impact on its image, reputation and finances.

As part of our operational rationalisation plan, the cost of closing sites includes provisions and expenses to restore buildings and the surrounding environment. It is of note that litigation arose in 2004 on closure of a laboratory, due to events pre-dating the acquisition of the company by Eurofins (see the paragraph below on *Provisions and Guarantees for Environmental Risk)*.

The Group is not aware of any noise or olfactory pollution that has occurred within its subsidiaries or operational sites.

In addition, by its development at the cutting-edge of environmental analysis the Group contributes by its work to the protection of the environment.

Measures taken to limit our impact on the biological equilibrium and the natural environment

Recycling is now a normal part of life in many countries. As well as the chemicals mentioned above, the Group's laboratories recycle a wide range of products: paper, glass, plastic, cardboard, batteries, aluminium and IT equipment. Complementing this, in certain countries in which the Group operates, such as the United States, training programmes are developed for laboratory personnel in order to limit their impact on the environment.

Evaluation for certification and conformity for environmental responsibility regulations

Certain laboratories in several countries possess an "environmental license" given by local authorities but in accordance with international standards and are subject to a prior external audit. An example is in Scandinavia where the implementation of an environmental management system, which enables the business to minimize its impact on the environment, to anticipate accidents and to plan to improve its environmental performance, enabled it to be accredited ISO14001. This process is part of a regular evaluation of the environmental impact of every business decision. Among the other accreditations obtained by Eurofins laboratories, we can quote the ISO 17025, the COFRAC, and the IBAMA accreditation in Brazil.

Expenditure incurred by the Company in the prevention of environmental damage

Many of the Group laboratories incur particular costs in the areas of transport and in the treatment of materials that present particular risks (BSE samples, detection kits, toxic waste, human blood). In addition Eurofins invests in infrastructure that helps to avoid pollution, for example to stop leakage of solvents, and pays additional community taxes for the treatment of waste water.

Dedicated internal resources

The Company has dedicated internal resources for the reduction of environmental risk, particularly through the education and provision of information to employees. Some of the laboratories have their own department or person responsible for safety ("Safety Officer"), through regular inspection and internal training on the issues of safety and the protection of the environment.

The Company has ensured that by implementing and following its safety systems it complies with the applicable local regulation.

Among the Group, several laboratories develop and set up intensive training to give good practice in terms of environmental risk management (e.g. safe use of chemicals and their application, waste disposal, autoclaving systems for decontamination).

Provisions and Guarantees for Environmental Risk

Due to confidentiality it is not possible to outline precisely the provisions for risk or a description of the nature of potential litigation in this area. Eurofins estimates that the provisions are adequate given the information available at this time. However, in view of the difficulties in quantifying the risks attached to certain activities, due to uncertainty in terms of value and timing, we cannot rule out that costs will exceed provisions.

It is worthwhile to note that the Company has taken out general insurance to cover damage to the environment that might be caused accidentally by certain activities of the Company. In addition some laboratories also have their own insurance policies, particularly if required by local legislation. However, it is not guaranteed that the level of cover insured is sufficient for all eventualities or that the Company will not suffer losses if damages exceed the level of cover or the provisions made by the Company. This would have a negative impact on the Company's financial position.

VIII. Consolidated Financial Statements

Consolidated Profit and Loss Statement

January 1, 2011 to December 31, 2011

€Thousand	Note	2011	2010
Revenues	4.1	**828,934**	**680,333**
Cost of purchased materials and services	2.1	-294,243	-253,581
Personnel expenses	2.2	-401,391	-327,602
Other operating income and expenses, net	2.3	5,932	-5,985
EBITDA [2]		139,232	93,165
Depreciation and amortisation	3.1, 3.2	-45,939	-41,115
EBITAS [1]		**93,293**	**52,050**
Non cash accounting charge for stock options (S.O.)	2.4	-2,539	-2,266
Impairment of goodwill, amortisation of intangible assets and transactions costs related to acquisitions	3.2	-4,215	-1,074
EBIT after non cash accounting charge for S.O., impairment of goodwill, amortisation of intangible assets and transactions costs related to acquisitions		86,539	48,710
Finance income		1,303	909
Finance costs		-17,698	-13,623
Financial result	2.5	-16,395	-12,714
Share of (loss)/ profit of associates	3.4	319	180
Result before income taxes		70,463	36,176
Income tax expense	2.6	-13,816	-10,833
Net profit for the period		**56,647**	**25,343**
Profit attributable to:			
Owners of the parent		55,407	23,400
Non controlling interest		1,240	1,943
Earnings per share (basic) in €- Total	4.5	3.87	1.65
Earnings per share (basic) in €- attributable to hybrid capital investors		0.81	0.57
Earnings per share (basic) in €- attributable to equity holders		3.06	1.08
Earnings per share (diluted) in €- Total	4.5	3.53	1.57
Earnings per share (diluted) in €- attributable to hybrid capital investors		0.74	0.54
Earnings per share (diluted) in €- attributable to equity holders		2.79	1.03
Weighted average shares outstanding (basic)	4.4	14,324	14,224
Weighted average shares outstanding (diluted)	4.4	15,683	14,859

The Notes n°1 to 5 are an integral part of these c onsolidated financial statements.

[1] EBITAS : EBIT before Impairment of goodwill, Amortisation of intangible assets and transactions costs related to acquisitions and and non cash accounting charge for Stock options (Note 1.1)

[2] The EBITDA published includes costs incurred as a direct result of the accelerated reorganisation programme of the Group to an amount of €18m in 2010 and €7.9m in 2011. Excluding these one-off/ reorganisation costs, the "clean" EBITDA amounts to about to €111m in 2010 and €147m in 2011.

Consolidated statement of comprehensive income

As of December 31, 2011

€Thousand	2011	2010
Net profit for the period	**56,647**	**25,343**
Currency translation differences	10,999	11,932
Deferred tax on net investment	-937	-752
Financial instruments	-9,216	1,035
Retirement benefit obligations	-1,767	0
Deferred taxes on Retirement benefit obligations	496	0
Tax effect on other comprehensive income	0	0
Other comprehensive income for the period, net of tax	**-425**	**12,215**
Total comprehensive income for the period	**56,222**	**37,558**
Attributable to:		
Owners of the parent	54,746	35,613
Non controlling interest	1,476	1,945

Consolidated Balance Sheet

As of December 31, 2011

€Thousand	Note	2011	2010
Property, plant and equipment	3.1	163,186	137,085
Goodwill	3.2	379,322	246,370
Other intangible assets	3.2	59,238	30,209
Investments in associates	3.4	3,602	2,620
Financial assets, trade and other receivables	3.5	7,881	6,770
Deferred tax asset	3.17	19,460	17,278
Derivative financial instruments	4.3	0	0
Total non current assets		**632,689**	**440,332**
Inventories	3.6	9,949	8,389
Trade accounts receivable	3.7	214,835	153,987
Prepaid expenses and other current assets	3.8	28,648	21,727
Corporate tax receivable		8,964	4,222
Cash and cash equivalents	3.9	179,490	107,504
Total current assets		**441,886**	**295,829**
Total assets		**1,074,575**	**736,161**
Share capital		1,435	1,429
Other reserves		78,493	66,230
Hybrid capital	3.12	150,000	100,000
Retained earnings		85,528	57,340
Shareholders' equity – part of the Group		315,456	224,999
Non controlling interest		4,859	5,692
Total shareholders' equity		**320,315**	**230,691**
Borrowings	3.10	211,802	32,934
OBSAAR Bonds	3.11	188,867	205,714
Derivative financial instruments	4.3	12,636	3,420
Deferred tax liability	3.17	20,925	11,286
Account payable on investment	3.14	14,656	11,243
Retirement benefit obligations	3.15	18,822	14,318
Provisions for other liabilities and charges	3.16	20,061	17,934
Total non current liabilities		**487,769**	**296,849**
Borrowings	3.10	19,153	21,940
OBSAAR Bonds	3.11	14,855	16,130
Trade accounts payable		75,009	54,930
Advance payments received and deferred revenues		21,071	14,497
Corporate tax due		11,956	7,978
Account payable on investment	3.14	7,824	6,132
Other current liabilities	3.13	116,623	87,014
Total current liabilities		**266,491**	**208,621**
Total liabilities and shareholders' equity		**1,074,575**	**736,161**

Notes n°1 to 5 are an integral part of these conso lidated financial statements.

Consolidated Cash Flow Statement

January 1, 2011 to December 31, 2011

€Thousand	Note	2011	2010
Cash flows from operating activities			
Result before income taxes		**70,463**	**36,176**
Adjustments for:			
Depreciation and amortisation	3.1, 3.2, 3.3	48,180	42,188
Increase/ decrease in provisions and accruals	3.15, 3.16, 3.19	-5,112	-463
Losses/ gains on the disposal of subsidiaries	2.3	0	-842
Losses/ gains on the disposal, write off of fixed assets	2.3	704	1,182
Non cash accounting charge for stock options	2.4	2,539	2,080
Financial income and expense, net		15,836	12,358
Expense/ income from investments (equity method)		-319	-180
Change in net working capital	3.18	-6,878	2,050
Cash generated from operations		**125,413**	**94,549**
Income taxes paid		-15,092	-9,612
Net cash provided by operating activities		**110,321**	**84,937**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	3.19	-152,425	-9,226
Proceeds from sale of a subsidiary, net of cash transferred	3.19	0	-71
Purchase of property, plant and equipment	3.1	-43,787	-34,061
Purchase of intangible assets	3.2	-10,119	-6,935
Proceeds from sale of property, plant and equipment	3.1, 3.2, 3.3	347	1,240
Purchase net of sales of investments and financial assets	3.4, 3.5	518	-34
Interest received		1,292	823
Net cash used in investing activities		**-204,174**	**-48,264**
Cash flows from financing activities			
Proceeds from issuance of share capital		1,225	1,519
Proceeds from short or long term borrowings	3.10	175,764	1,448
Cash repayments of amounts borrowed	3.10	-10,965	-76,851
OBSAAR bonds issue	3.11	0	173,400
BSAAR bonds issue		0	474
OBSAAR Bonds repayment	3.11	-18,555	-70,291
Hybrid capital issue	1.19 3.12	48,160	0
Dividends to shareholders		-2,858	-1,420
Dividends to Non controlling interest		-722	-2,707
Dividends from Equity method	3.4	79	47
Earnings paid to hybrid capital investors		-9,093	-8,081
Interest paid		-12,361	-11,393
Net cash provided by financing activities		**170,674**	**6,145**
Net effect of currency translation in cash and cash equivalents		611	1,244
Net increase (decrease) in liquid funds		**77,433**	**44,062**
Cash and cash equivalents and bank overdrafts at beginning of period		96,316	52,254
Cash and cash equivalents and bank overdrafts at end of period	3.9	**173,748**	**96,316**

Notes n°1 to 5 are an integral part of these conso lidated financial statements.

Consolidated Statement of Changes in Equity

As of December 31, 2011

€Thousand	Note	Attributable to owners of the parent				Minority interest	Total Equity
		Share capital	Other reserves	Hybrid Capital	Retained earnings		
Balance at January 1st, 2010		**1,421**	**52,882**	**100,000**	**42,321**	**6,410**	**203,034**
Currency translation differences		0	11,905	0	-5	32	11,932
Financial instruments		0	0	0	1,035	0	1,035
Deferred taxes on net investments	3.17	0	0	0	-752	0	-752
Non controlling interest transfer		0	0	0	31	-31	0
Gains and losses recognised directly in equity		0	11,905	0	309	1	12,215
Net profit		0	0	0	23,399	1,944	25,343
Net profit and gains and losses recognised directly in equity in 2010		0	11,905	0	23,709	1,945	37,558
Stock options effects	2.4	0	0	0	2,080	0	2,080
Deferred distribution on Hybrid Capital	1.19, 3.12	0	0	0	-8,081	0	-8,081
Issue of share capital		8	1,443	0	0	68	1,519
Issue of BSAAR		0	0	0	316	0	316
Dividends		0	0	0	-1,420	0	-1,420
Dividends to non controlling interests		0	0	0	-416	-2,291	-2,707
Potential payments in shares arising on business combinations	3.19, 1.22	0	0	0	0	0	0
Non controlling interest arising on business combinations	3.19	0	0	0	-1,168	-440	-1,608
Balance at December 31, 2010		**1,429**	**66,230**	**100,000**	**57,340**	**5,692**	**230,691**
Balance at January 1st, 2011		**1,429**	**66,230**	**100,000**	**57,340**	**5,692**	**230,691**
Currency translation differences		0	11,044	0	-11	-34	10,999
Deferred taxes on net investments	3.17	0	0	0	-937	0	-937
Retirement benefit obligations	3.15	0	0	0	-1,767	0	-1,767
Deferred taxes on Retirement benefit obligations	3.17	0	0	0	496	0	496
Financial instruments	4.3	0	0	0	-9,216	0	-9,216
Non controlling interest transfer		0	0	0	-270	270	0
Gains and losses recognised directly in equity		0	11,044	0	-11,705	236	-425
Net profit		0	0	0	55,407	1,240	56,647
Net profit and gains and losses recognised directly in equity in 2011		0	11,044	0	43,702	1,476	56,222
Issue of share capital	1.19	6	1,219	0	0	0	1,225
Stock options effects	2.4	0	0	0	2,539	0	2,539
Issue of Hybrid capital	3.12	0	0	50,000	-1,811	0	48,189
Deferred distribution on Hybrid Capital	3.12	0	0	0	-11,589	0	-11,589
Dividends		0	0	0	-2,858	-722	-3,580
Potential payments in shares arising on business combinations	3.19, 1.22	0	0	0	0	0	0
Non controlling interest arising on business combinations	3.19	0	0	0	-1,795	-1,587	-3,382
Balance at December 31, 2011		**1,435**	**78,493**	**150,000**	**85,528**	**4,859**	**320,315**

Notes n°1 to 5 are an integral part of these conso lidated financial statements.

IX. Scope of the Group

5.1 Change in the scope 2011

The Companies below are consolidated at 100%.

Company	Country	Status	% of ownership	Consolidation method	Date of entry
		Subsidiary of :			
Eurofins 5. Verwaltungsgesellschaft mbH	Germany	Eurofins Scientific GmbH	100	Full consolidation	01/11
Eurofins Pharma US Holdings BV	Netherlands	Eurofins Pharma Services LUX Holding SARL	100	Full consolidation	03/11
Eurofins Pharma Services India Pvt LTD	India	Eurofins Pharma Services LUX Holding SARL	100	Full consolidation	03/11
Eurofins Mikro Kemi AB	Sweden	Eurofins Pharma Services LUX Holding SARL	100	Full consolidation	03/11
C-mark BV	Netherlands	Eurofins Food Testing Netherlands Holding BV	100	Full consolidation	04/11
Eurofins NSC Netherlands BV	Netherlands	Eurofins Support Services LUX Holding SARL	100	Full consolidation	04/11
Eurofins Food Testing Netherlands Holding BV	Netherlands	Eurofins Food Testing LUX Holding SARL	100	Full consolidation	04/11
Eurofins Pharma US Holdings II Inc.	USA	Eurofins Pharma US Holdings BV	100	Full consolidation	04/11
Eurofins Pharma Ireland Holding Ltd	Ireland	Eurofins Pharma Services LUX Holding SARL	100	Full consolidation	04/11
Microchem Laboratories (Ireland) Ltd	Ireland	Eurofins Pharma Ireland Holding Ltd	100	Full consolidation	04/11
Geoghegan Technologies Ltd	Ireland	Eurofins Pharma Ireland Holding Ltd	100	Full consolidation	04/11
Lancaster Laboratories Inc.	USA	Eurofins Pharma US Holdings II Inc.	100	Full consolidation	04/11
Public Analyst Scientific Services Ltd	UK	Eurofins Food Testing UK Holding Ltd	100	Full consolidation	05/11
Eurofins Agroscience Services GmbH	Germany	Eurofins Agrosciences I DE GmbH	100	Full consolidation	06/11
Eurofins Ascal Bâtiment Ile de France SAS	France	Eurofins Ascal Environnement SAS	100	Full consolidation	06/11
Eurofins Ascal Bâtiment Nord SAS	France	Eurofins Ascal Environnement SAS	100	Full consolidation	06/11
Eurofins Ascal Bâtiment Sud Est SAS	France	Eurofins Ascal Environnement SAS	100	Full consolidation	06/11
Eurofins Test IV SAS	France	Eurofins Hydrologie France Holding SAS	100	Full consolidation	06/11
Eurofins Hygiène des lieux de Travail SAS	France	Eurofins Analyses Environnementales pour les industriels France SAS	100	Full consolidation	06/11
Eurofins Air à l'Emission France SAS	France	Eurofins Analyses Environnementales pour les industriels France SAS	100	Full consolidation	06/11
Eurofins DNA Synthesis KK	Japan	Eurofins Genomics LUX Holding SARL	66	Full consolidation	07/11
Eurofins Water Testing LUX SARL	Luxemburg	Eurofins Environment Testing LUX Holding SARL	100	Full consolidation	09/11
Eurofins Environment Testing Belgium Holding BVBA	Belgium	Eurofins Environment Testing LUX Holding SARL	100	Full consolidation	09/11
Eurofins Becewa NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	Full consolidation	09/11
Eurofins Forensics Belgium BVBA	Belgium	Eurofins Forensics LUX Holding SARL	100	Full consolidation	10/11
Chemiphar NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	Full consolidation	10/11
O.C.B. NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	Full consolidation	10/11

Company	Country	Status	% of ownership	Consolidation method	Date of entry
Eurofins IPL Nord SAS	France	Eurofins Industrial Testing LUX SARL	67	Full consolidation	10/11
Eurofins IPL Environnement SAS	France	Eurofins Water Testing LUX SARL	67	Full consolidation	10/11
LCAM SAS	France	Eurofins IPL Environnement SAS	67	Full consolidation	10/11
Eurofins IPL Ile de France SAS	France	Eurofins IPL Environnement SAS	67	Full consolidation	10/11
Eurofins IPL Est SAS	France	Eurofins IPL Environnement SAS	67	Full consolidation	10/11
Eurofins IPL Sud SAS	France	Eurofins IPL Environnement SAS	67	Full consolidation	10/11
@ Lab SAS	France	Eurofins IPL Environnement SAS	48	Full consolidation	10/11
IPL Santé Environnement Durable Midi-Pyrénées SAS	France	Eurofins IPL Sud SAS	45	Full consolidation	10/11
IPL Santé Environnement Durable Atlantique SAS	France	Eurofins IPL Environnement SAS	67	Full consolidation	10/11
Eurofins DQCI LLC	USA	Eurofins Food II US Inc.	100	Full consolidation	10/11
VBC-Biotech Service GmbH	Austria	Eurofins Genomics LUX Holding SARL	100	Full consolidation	10/11
Eurofins Regulatory AG	Switzerland	Eurofins Agrosciences Services LUX Holding SARL	100	Full consolidation	11/11
Eurofins Facility Management Germany GmbH	Germany	Eurofins Scientific GmbH	100	Full consolidation	11/11
Eurofins Pharma Services France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Food Chemistry Testing France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Hygiène Alimentaire France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Analyses pour la Construction France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Analyses pour l'Environnement France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Analyses pour les Industriels France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Hydrologie France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	Full consolidation	12/11
Eurofins Consulting Italia Srl	Italy	Eurofins Scientific Italia Srl	100	Full consolidation	12/11
Eurofins NSC Italia Srl	Italy	Eurofins Support Services LUX Holding SARL	100	Full consolidation	12/11
Eurofins Services Alimentaires SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	Full consolidation	12/11
Eurofins Laboratoire de Pathologie Végétale SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	Full consolidation	12/11

The Companies below have been de-consolidated during the period as liquidated:

Company	Country	% of ownership	Date of exit
Dr Roth BIO TEST GmbH & Co. KG	DE	75	11/11
Eurofins Asian Ventures BV	NL	100	12/11

5.2 Principal subsidiary undertakings

The Companies below are fully consolidated (at 100%). The % of voting rights is identical to the % ownership in the Group Subsidiaries.

Company *	Country	Status	% of Group ownership	Date of entry
Eurofins Scientific SE	France	Parent *Subsidiary of :*		
Eurofins Hygiène Alimentaire France Holding SAS	France	Eurofins Food Testing LUX Holding SARL	100	01/99
Eurofins ATS SAS	France	Eurofins Product Testing LUX Holding SARL	100	01/99
Eurofins Biosciences SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	07/99
Eurofins Analytics France SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	07/99
Eurofins Hydrologie France SAS	France	Eurofins Hydrologie France Holding SAS	100	01/01
Eurofins LEM SAS	France	Eurofins Analyses pour la Construction France Holding SAS	100	01/01
Eurofins Certification SARL	France	Eurofins Hygiène Alimentaire France Holding SAS	100	07/03
Eurofins ADME Bioanalyses SAS	France	Eurofins Pharma France Holding SAS	100	10/04
Toxlab SAS	France	Eurofins Forensics LUX Holding SARL	95	02/05
Eurofins Genomics SAS	France	Eurofins Genomics LUX Holding SARL	100	07/05
Eurofins Hydrologie France Holding SAS	France	Eurofins Environment Testing LUX Holding SARL	100	07/05
Eurofins Analyses pour l'Environnement France SAS	France	Eurofins Environment Testing LUX Holding SARL	100	07/05
IFEG SAS	France	Eurofins Forensics LUX Holding SARL	75	11/05
Eurofins Laboratoire de Microbiologie Est SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	01/06
Eurofins Pharma Quality Control SAS	France	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Optimed SAS	France	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Agroscience Services France SAS	France	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins Agrosciences Services SAS	France	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins Pharma France Holding SAS	France	Eurofins Pharma Services LUX Holding SARL	100	06/06
Eurofins Medinet France SAS	France	Eurofins Pharma France Holding SAS	100	06/06
Eurofins Hygiène du Bâtiment Paris SAS	France	Eurofins Ascal Bâtiment Ile de France SAS	100	06/06
Eurofins Marketing Research SAS	France	Eurofins Food Chemistry Testing France Holding SAS	84	10/06
Eurofins Laboratoires de Microbiologie Ouest SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	10/06
Eurofins Cervac Sud SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins NSC Finance France SAS	France	Eurofins Support Services LUX Holding SARL	100	10/06
Eurofins Lara SA	France	Eurofins Hygiène Alimentaire France Holding SAS	100	08/07
Eurofins Optimed Lyon SAS	France	Eurofins Pharma France Holding SAS	100	09/07
Eurofins Food Chemistry Testing France Holding SAS	France	Eurofins Food Testing LUX Holding SARL	100	09/07
Eurofins NSC IT Infrastructure France SAS	France	Eurofins Support Services LUX Holding SARL	100	12/07
Chemtox SAS	France	Eurofins Forensics LUX Holding SARL	64	01/08
Eurofins Asept SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	04/08
Institut Louis Blanquet SAS	France	Eurofins Hydrologie France Holding SAS	31	04/08
Eurofins Laboratoire Sud SAS	France	Eurofins International Holdings LUX SARL	100	07/10
Eurofins Laboratoire Centre SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Laboratoire Nord SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	07/10
Eurofins Eaux Résiduaires SAS	France	Eurofins Analyses Environnementales pour les industriels France SAS	100	07/10
Eurofins Services Center III SAS	France	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins GSC France SAS	France	Eurofins Scientific SE	100	07/10
Eurofins NDSC Food France SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	08/10
Eurofins NDSC Environnement France SAS	France	Eurofins Analyses pour la Construction France Holding SAS	100	08/10
Eurofins Analyses pour la Construction France Holding SAS	France	Eurofins Environment Testing LUX Holding SARL	100	08/10
Eurofins Analyses pour le Bâtiment France SAS	France	Eurofins Analyses pour la Construction France Holding SAS	100	08/10
Eurofins Ascal Environnement SAS	France	Eurofins Analyses pour la Construction France Holding SAS	100	10/10

Company *	Country	Status	% of Group owners hip	Date of entry
Eurofins Analyses Environnementales pour les industriels France SAS	France	Eurofins Environment Testing LUX Holding SARL	100	10/10
Eurofins NSC Développement France SAS	France	Eurofins Support Services LUX Holding SARL	100	10/10
Eurofins France Holding SAS	France	Eurofins Scientific SE	100	10/10
Eurofins Agroscience Services Chem SAS	France	Eurofins ADME Bioanalyses SAS	100	10/10
Eurofins Ascal Bâtiment Ile de France SAS	France	Eurofins Ascal Environnement SAS	100	06/11
Eurofins Ascal Bâtiment Nord SAS	France	Eurofins Ascal Environnement SAS	100	06/11
Eurofins Ascal Bâtiment Sud Est SAS	France	Eurofins Ascal Environnement SAS	100	06/11
Eurofins Test IV SAS	France	Eurofins Hydrologie France Holding SAS	100	06/11
Eurofins Hygiène des lieux de Travail SAS	France	Eurofins Analyses Environnementales pour les industriels France SAS	100	06/11
Eurofins Air à l'Emission France SAS	France	Eurofins Analyses Environnementales pour les industriels France SAS	100	06/11
Eurofins IPL Nord SAS	France	Eurofins Industrial Testing LUX SARL	67	10/11
Eurofins IPL Environnement SAS	France	Eurofins Water Testing LUX SARL	67	10/11
LCAM SAS	France	Eurofins IPL Environnement SAS	67	10/11
Eurofins IPL Ile de France SAS	France	Eurofins IPL Environnement SAS	67	10/11
Eurofins IPL Est SAS	France	Eurofins IPL Environnement SAS	67	10/11
Eurofins IPL Sud SAS	France	Eurofins IPL Environnement SAS	67	10/11
@ Lab	France	Eurofins IPL Environnement SAS	48	10/11
IPL Santé Environnement Durable Midi-Pyrénées SAS	France	Eurofins IPL Sud SAS	45	10/11
IPL Santé Environnement Durable Atlantique SAS	France	Eurofins IPL Environnement SAS	67	10/11
Eurofins Services Alimentaires SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Laboratoire de Pathologie Végétale SAS	France	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins NSC UK & Ireland Ltd	UK	Eurofins Support Services LUX Holding SARL	100	01/06
Eurofins Laboratories Ltd	UK	Eurofins Food Testing UK Holding Ltd	100	03/98
Eurofins Genetic Services Ltd	UK	Eurofins Genomics LUX Holding SARL	100	07/05
Agrisearch Ltd	UK	Eurofins Agroscience Services UK Holding Ltd	100	01/06
Eurofins Agrosciences Services Ltd	UK	Agrisearch Ltd	100	01/06
Eurofins Environmental Services Ltd	UK	Eurofins Environment Testing LUX Holding SARL	100	07/06
Eurofins Food Testing UK Holding Ltd	UK	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Agroscience Services UK Holding Limited	UK	Eurofins Agrosciences Services LUX Holding SARL	100	04/07
Agrisearch UK Ltd	UK	Eurofins Agroscience Services Ltd	100	08/08
Public Analyst Scientific Services (NI) Ltd	UK	Eurofins Food Testing UK Holding Ltd	100	09/04
Eurofins Product Testing Services Ltd	UK	Eurofins Product Testing LUX Holding SARL	100	10/10
Public Analyst Scientific Services Ltd	UK	Eurofins Food Testing UK Holding Ltd	100	05/11
Eurofins Scientific (Ireland) Limited	Ireland	Eurofins GSC LUX SARL	100	07/03
Eurofins Food Ireland Limited	Ireland	Eurofins Food Testing LUX Holding SARL	100	04/09
Eurofins Pharma Ireland Holding Ltd	Ireland	Eurofins Pharma Services LUX Holding SARL	100	04/11
Microchem Laboratories (Ireland) Ltd	Ireland	Eurofins Pharma Ireland Holding Ltd	100	04/11
Geoghegan Technologies Ltd	Ireland	Eurofins Pharma Ireland Holding Ltd	100	04/11
Eurofins Scientific GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	05/98
Institut für Lebensmittel-, Wasser- und Umweltanalytik Nürnberg GmbH	Germany	Eurofins I Verwaltungsgesellschaft GmbH	100	11/98
Eurofins Analytik GmbH	Germany	Eurofins GfA Lab Service GmbH	100	01/99
Eurofins GfA GmbH	Germany	Eurofins Umwelt GmbH	100	01/01
Eurofins Medigenomix GmbH	Germany	Eurofins Ventures I DE GmbH	100	07/01
Ökometric GmbH	Germany	Eurofins GfA Lab Service GmbH	100	01/03
Eurofins GeneScan Holding GmbH	Germany	Eurofins Ventures BV	100	07/03
Eurofins GeneScan GmbH	Germany	Eurofins GeneScan Holding GmbH	100	07/03
Eurofins Dr. Specht Laboratorien GmbH	Germany	Eurofins Scientific GmbH	100	09/04
SniP Biotech-Verwaltung-GmbH	Germany	Eurofins Medigenomix GmbH	100	01/05
SniP Biotech GmbH & Co. KG	Germany	Eurofins Medigenomix GmbH	100	01/05
MWG-Biotech AG	Germany	Eurofins Genomics BV	87	01/05
MV Genetix GmbH	Germany	Eurofins Medigenomix GmbH	100	02/05
Eurofins Umwelt GmbH	Germany	Eurofins Environment Testing LUX Holding SARL	100	03/05
Eurofins Umwelt West GmbH	Germany	Eurofins Environment II DE GmbH	100	04/05
Eurofins Deutsches Institut für Lebensmitteluntersuchung GmbH	Germany	Eurofins Scientific GmbH	100	04/05
Eurofins Agroscience Services EcoChem GmbH	Germany	Eurofins Agrosciences I DE GmbH	100	01/06
Eurofins Umwelt Ost GmbH	Germany	Eurofins Umwelt GmbH	100	01/06

Company *	Country	Status	% of Group owners hip	Date of entry
Eurofins Institut Jäger GmbH	Germany	Eurofins Umwelt GmbH	100	04/06
Sofia GmbH	Germany	Eurofins Food GmbH	100	04/06
Eurofins Food GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	12/06
Eurofins Ventures I DE GmbH	Germany	Eurofins International Holdings LUX SARL	100	12/06
Eurofins MWG GmbH	Germany	MWG-Biotech AG	87	01/07
Eurofins MWG Synthesis GmbH	Germany	MWG-Biotech AG	87	01/07
Institut Dr. Rothe GmbH	Germany	Eurofins Food III DE GmbH	100	04/07
Eurofins Food III DE GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Laborservices GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins AgroSciences I DE GmbH	Germany	Eurofins Agrosciences Services LUX Holding SARL	100	04/07
Eurofins 1. Verwaltungsgesellschaft mbH	Germany	Eurofins Scientific SE	100	04/07
Eurofins Product Testing Verwaltungs GmbH	Germany	Eurofins Scientific SE	100	04/07
Eurofins Umwelt Nord GmbH	Germany	Eurofins Umwelt GmbH	100	07/07
Eurofins Environment II DE GmbH	Germany	Eurofins Environment Testing LUX Holding SARL	100	12/07
INLAB GmbH Institut für Lebensmittelmikrobiologie	Germany	Eurofins Food III DE GmbH	51	12/07
Operon Biotechnologies GmbH i.L.	Germany	MWG-Biotech AG	87	12/07
Eurofins Information Systems GmbH	Germany	Eurofins Scientific GmbH	100	12/07
Eurofins NSC Finance Germany GmbH	Germany	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins IT-infrastructure GmbH	Germany	Eurofins Scientific GmbH	100	12/07
Eurofins Product Service GmbH	Germany	Eurofins Scientific S.E.	100	01/08
Eurofins Food VI DE GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	01/08
Eurofins Consumer Product Testing GmbH	Germany	Eurofins Product Testing Verwaltungs GmbH	100	01/08
Eurofins Agroscience Services Chem GmbH	Germany	Eurofins Scientific GmbH	100	06/08
Eurofins Dr. Specht Express GmbH	Germany	Eurofins Food Testing LUX Holding SARL	100	12/08
Eurofins WEJ Contaminants GmbH	Germany	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins WEJ Agro Nutrition GmbH	Germany	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins 2. Verwaltungsgesellschaft mbH	Germany	Eurofins Environment Testing LUX Holding SARL	100	12/08
Eurofins Global Control GmbH	Germany	Eurofins Food GmbH	100	04/09
Dr. Appelt Beteiligungs GmbH	Germany	Eurofins Food VI DE GmbH	75	07/09
Institut Dr. Appelt GmbH & Co. KG	Germany	Dr. Appelt Beteiligungs GmbH	100	07/09
Institut Dr. Appelt Thüringen GmbH&CO. KG	Germany	Dr. Appelt Beteiligungs GmbH	100	07/09
Institut Dr. Appelt Hilter GmbH & Co. KG	Germany	Dr. Appelt Beteiligungs GmbH	100	07/09
Labor Dr. Möllerfeld GmbH	Germany	Dr. Appelt Beteiligungs GmbH	100	07/09
A&R Analytik GmbH	Germany	Dr. Appelt Beteiligungs GmbH	100	07/09
Eurofins CTC GmbH	Germany	Eurofins Food GmbH	100	08/09
Eurofins Fintelmann und Meyer GMP GmbH	Germany	Eurofins Food GmbH	100	08/09
Eurofins GfA Lab Service GmbH	Germany	Eurofins Scientific GmbH	100	10/10
Eurofins 5. Verwaltungsgesellschaft mbH	Germany	Eurofins Scientific GmbH	100	01/11
Eurofins Agroscience Services GmbH	Germany	Eurofins Agrosciences I DE GmbH	100	06/11
Eurofins Facility Management Germany GmbH	Germany	Eurofins Scientific GmbH	100	11/11
Eurofins Ventures BV	Netherlands	Eurofins Scientific S.E.	100	04/01
Eurofins Environment Testing Netherlands Holding BV	Netherlands	Eurofins Environment Testing LUX Holding SARL	100	04/01
Eurofins Food Netherlands BV	Netherlands	Eurofins Food Testing Netherlands Holding BV	100	10/00
Eurofins Analytico BV	Netherlands	Eurofins Environment Testing Netherlands Holding BV	100	04/01
Eurofins Medinet BV	Netherlands	Eurofins Pharma Services LUX Holding SARL	100	04/01
Pro Monitoring BV	Netherlands	Eurofins Environment Testing Netherlands Holding BV	80	10/04
Eurofins Genomics BV	Netherlands	Eurofins Ventures BV	100	07/06
Eurofins Food US Holdings I BV	Netherlands	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Food US Holdings II BV	Netherlands	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Eastern Ventures BV	Netherlands	Eurofins Food Testing LUX Holding SARL	100	12/07
Eurofins Pharma US Holdings BV	Netherlands	Eurofins Pharma Services LUX Holding SARL	100	03/11
C-mark BV	Netherlands	Eurofins Food Testing Netherlands Holding BV	100	04/11
Eurofins NSC Netherlands BV	Netherlands	Eurofins Support Services LUX Holding SARL	100	04/11
Eurofins Food Testing Netherlands Holding BV	Netherlands	Eurofins Food Testing LUX Holding SARL	100	04/11
Eurofins Scientific Services SA	Belgium	Eurofins Scientific S.E.	100	06/01

Company *	Country	Status	% of Group owners hip	Date of entry
Eurofins Finance SA	Belgium	Eurofins Scientific S.E.	100	07/06
Eurofins Belgium NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	12/07
Eurofins Testing Belgium BVBA	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	12/10
Eurofins Environment Testing Belgium Holding BVBA	Belgium	Eurofins Environment Testing LUX Holding SARL	100	09/11
Eurofins Becewa NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	09/11
Eurofins Forensics Belgium BVBA	Belgium	Eurofins Forensics LUX Holding SARL	100	10/11
Chemiphar NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	10/11
O.C.B. NV	Belgium	Eurofins Environment Testing Belgium Holding BVBA	100	10/11
Eurofins NSC Denmark A/S	Denmark	Eurofins Support Services LUX Holding SARL	100	01/01
Eurofins Miljo A/S	Denmark	Eurofins Environment Denmark Holding A/S	100	06/05
Eurofins Pharma Quality Control Denmark A/S	Denmark	Eurofins Pharma Services LUX Holding SARL	100	01/06
Eurofins Steins Laboratorium A/S	Denmark	Eurofins Food Denmark Holding A/S	100	07/06
Eurofins Environment Denmark Holding A/S	Denmark	Eurofins Environment Testing LUX Holding SARL	100	04/07
Eurofins Food Denmark Holding A/S	Denmark	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Product Testing Denmark A/S	Denmark	Eurofins Product Testing LUX Holding SARL	100	12/08
Eurofins Sverige AB	Sweden	Eurofins Environment Testing Sweden Holding AB	100	04/04
Eurofins Steins Laboratorium AB	Sweden	Eurofins Food Testing Sweden Holding AB	100	07/06
Eurofins Food Testing Sweden Holding AB	Sweden	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins Environment Testing Sweden Holding AB	Sweden	Eurofins Environment Testing LUX Holding SARL	100	10/07
Eurofins Environment Testing Sweden AB	Sweden	Eurofins Environment Testing Sweden Holding AB	100	10/07
Eurofins Food & Agro Testing Sweden AB	Sweden	Eurofins Food Testing Sweden Holding AB	100	10/07
Eurofins NSC Sweden AB	Sweden	Eurofins Support Services LUX Holding SARL	100	01/08
Eurofins Mikro Kemi AB	Sweden	Eurofins Pharma Services LUX Holding SARL	100	03/11
Eurofins Norsk Miljøanalyse AS	Norway	Eurofins Environment Testing Norway Holding AS	100	05/06
Eurofins Norsk Matanalyse AS	Norway	Eurofins Food Testing Norway Holding AS	60	09/07
Eurofins Food Testing Norway Holding AS	Norway	Eurofins Food Testing LUX Holding SARL	100	09/07
Eurofins Environment Testing Norway Holding AS	Norway	Eurofins Environment Testing LUX Holding SARL	100	09/07
Eurofins NSC Norway AS	Norway	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Scientific Finland Oy	Finland	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins Agrosciences Services Srl	Italy	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins Scientific Italia Srl	Italy	Eurofins International Holdings LUX SARL	100	07/06
Eurofins Chemical Control Srl	Italy	Eurofins Scientific Italia Srl	100	08/06
Eurofins Biolab Srl	Italy	Eurofins Scientific Italia Srl	100	01/07
Qualis Srl	Italy	Eurofins Chemical Control Srl	100	07/07
Eurofins Environment Testing Italy Srl	Italy	Eurofins Scientific Italia Srl	100	06/08
Eurofins Modulo Uno SpA	Italy	Eurofins Scientific Italia Srl	100	10/08
Eurofins Consulting Italia Srl	Italy	Eurofins Scientific Italia Srl	100	12/11
Eurofins NSC Italia Srl	Italy	Eurofins Support Services LUX Holding SARL	100	12/11
Eurofins Steins Laboratorium Sp. z.o.o.	Poland	Eurofins Eastern Ventures BV	100	07/06
Eurofins Agroscience Services Sp. z.o.o.	Poland	Eurofins Agroscience Services GmbH	100	01/06
Eurofins Agrosciences Services SL	Spain	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Biolab Espagnola de Analisis e Investigacion SL	Spain	Eurofins Pharma Services LUX Holding SARL	100	01/07
Eurofins Latin American Ventures SL	Spain	Eurofins International Holdings LUX SARL	100	04/09
Ergo Portugal - Laboratorio Da Qualidade Do Ar lda	Portugal	Eurofins GfA GmbH	100	01/05
Eurofins - Ofi Lebensmittelanalytik GmbH	Austria	Eurofins Eastern Ventures BV	51	01/07
VBC-Biotech Service GmbH	Austria	Eurofins Genomics LUX Holding SARL	100	10/11
Eurofins Scientific AG	Switzerland	Eurofins Food Testing LUX Holding SARL	100	07/00
Eurofins Regulatory AG	Switzerland	Eurofins Agrosciences Services LUX Holding SARL	100	11/11
Bel/ Novamann International s.r.o.	Slovakia	Eurofins Eastern Ventures BV	100	10/07

Company *	Country	Status	% of Group owners hip	Date of entry
Eurofins Scientific CZ s.r.o.	Czech Republic	Bel/ Novamann International s.r.o.	100	10/06
Eurofins GSC LUX SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Food Testing LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Environment Testing LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Pharma Services LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Agrosciences Services LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	09/07
Eurofins Product Testing LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	06/08
Eurofins Support Services LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	05/10
Eurofins Genomics LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	07/10
Eurofins Industrial Testing Lux SARL	Luxemburg	Eurofins Environment Testing LUX Holding SARL	100	09/10
Eurofins Forensics LUX Holding SARL	Luxemburg	Eurofins International Holdings LUX SARL	100	10/10
Eurofins International Holdings LUX SARL	Luxemburg	Eurofins Scientific SE	100	11/10
Eurofins Water Testing LUX SARL	Luxemburg	Eurofins Environment Testing LUX Holding SARL	100	09/11
Eurofins Pharma Services France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Food Chemistry Testing France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Hygiène Alimentaire France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour la Construction France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour l'Environnement France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour les Industriels France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Hydrologie France LUX Holding SARL	Luxemburg	Eurofins France Holding SAS	100	12/11
Eurofins Scientific Inc.	USA	Eurofins Food I US Inc.	100	08/92
Eurofins GeneScan Inc.	USA	Eurofins GeneScan GmbH	100	07/03
Eurofins Pharma US Holdings Inc.	USA	Eurofins Pharma Services LUX Holding SARL	100	10/05
Eurofins AvTech Laboratories LLC	USA	Lancaster Laboratories Inc.	100	11/05
Viralliance Inc.	USA	Eurofins Pharma US Holdings Inc.	100	11/05
Eurofins Medinet LLC	USA	Lancaster Laboratories Inc.	100	06/06
Eurofins Agroscience Services Inc.	USA	Eurofins Agroscience Services Holdings US Inc.	100	01/07
Eurofins Central Analytical Laboratories Inc.	USA	Eurofins Food II US Inc.	100	04/07
Eurofins Food I US Inc.	USA	Eurofins Food US Holdings I BV	100	04/07
Eurofins Food II US Inc.	USA	Eurofins Food US Holdings II BV	100	04/07
Eurofins Genomics Inc.	USA	Eurofins Genomics BV	100	12/07
Eurofins MWG Operon Inc.	USA	Eurofins Genomics Inc.	92	12/07
Eurofins Agroscience Services Holdings US Inc.	USA	Eurofins Agrosciences Services LUX Holding SARL	100	09/08
Eurofins STA Laboratories Inc.	USA	Eurofins Food II US Inc.	100	10/08
Eurofins Strasburger and Siegel Inc.	USA	Eurofins Food II US Inc.	100	06/09
Eurofins Analytical Testing Center Inc.	USA	Eurofins Food II US Inc.	100	10/10
Eurofins NSC US Inc.	USA	Eurofins Support Services LUX Holding SARL	100	11/10
Eurofins Pharma US Holdings II Inc.	USA	Eurofins Pharma US Holdings BV	100	04/11
Lancaster Laboratories Inc.	USA	Eurofins Pharma US Holdings II Inc.	100	04/11
Eurofins DQCI LLC	USA	Eurofins Food II US Inc.	100	10/11
Eurofins do Brasil Análises de Alimentos Ltda.	Brazil	Eurofins Latin American Ventures SL	100	07/03
Innolab do Brasil Ltda.	Brazil	Eurofins Latin American Ventures SL	100	07/09
Eurofins Genomics India Pvt Ltd	India	Eurofins Genomics LUX Holding SARL	100	01/05
Eurofins Analytical Services India Pvt Ltd	India	Eurofins Food Testing LUX Holding SARL	100	05/09
Eurofins Pharma Services India Pvt Ltd	India	Eurofins Pharma Services LUX Holding SARL	100	03/11

Company *	Country	Status	% of Group owners hip	Date of entry
Eurofins Product Testing Hong Kong Ltd	Hong Kong	Eurofins Product Testing LUX Holding SARL	100	03/06
Eurofins Shanghai Holding Ltd	Hong Kong	Eurofins Product Testing LUX Holding SARL	90	10/09
Eurofins Technology Services (Suzhou) Co., Ltd	China	Eurofins Food Testing LUX Holding SARL	100	12/06
Eurofins Testing Technology (Shenzhen) Co., Ltd	China	Eurofins Product Testing LUX Holding SARL	100	10/09
Eurofins Product Testing Service (Shanghai) Co., Ltd	China	Eurofins Shanghai Holding Ltd	90	10/09
Eurofins Medinet PTE. Ltd	Singapore	Eurofins Pharma Services LUX Holding SARL	100	12/06
Eurofins Product Service (Thailand) Co., Ltd	Thailand	Eurofins Product Testing LUX Holding SARL	100	07/08
Eurofins Japan KK	Japan	Eurofins Support Services LUX Holding SARL	100	03/06
Operon Biotechnologies KK	Japan	Eurofins Genomics LUX Holding SARL	100	12/07
Eurofins Analytics KK	Japan	Eurofins Food Testing LUX Holding SARL	100	01/09
Eurofins DNA Synthesis KK	Japan	Eurofins Genomics LUX Holding SARL	66	07/11
Eurofins Agrosciences Services EOOD	Bulgaria	Eurofins Agrosciences Services LUX Holding SARL	100	11/08
Eurofins Agroscience Services Kft	Hungary	Eurofins Agrosciences Services LUX Holding SARL	100	09/07
Eurofins Agroscience Services srl	Romania	Eurofins Agrosciences Services LUX Holding SARL	100	08/09

* Please note that for confidentiality reasons the information provided above is not comprehensive.

5.3 Other subsidiaries undertakings

The following companies are not fully consolidated:

Company *	Country	Status	% of ownership	Method of consolidation
		Subsidiary of :		
Akvamiljo Caspian A/S	Norway	Eurofins Environment Denmark Holding A/S	27	Equity method
Z.F.D. GmbH	Germany	Ökometric GmbH	33	Equity method
Fasmac Co. Ltd.	Japan	Eurofins Genomics LUX Holding SARL	41	Equity method

* Please note that for confidentiality reasons the information provided above is not comprehensive.

IX. Notes to the Consolidated Financial Statements

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

Eurofins Scientific SE and its subsidiaries (the "Group") operate around 150 laboratories across 30 countries. The head office is located in Nantes, France.

Eurofins is a life sciences company operating internationally to provide a comprehensive range of analytical testing services to clients from a wide range of industries including the pharmaceutical, food and environmental sectors.

These consolidated financial statements have been approved for issue by the Board of Directors on 7 February 2012.

1. Summary of significant accounting policies

The principal 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, 2011, the Standards adopted by the European Union and used by Eurofins 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 land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of 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 statement are disclosed in Note 1.27.

The presentation in the profit and loss statement of the result "EBITAS: EBIT before Amortisation of intangible assets related to acquisitions, impairment of goodwill and transactions costs related to acquisitions and non cash accounting charge for Stock options" (Note 3.2) has the objective to be close and coherent with the figure that is used in internal Group reporting to measure the performance of all Group Companies and the individual managers.

Going concern
As a result of the funding activities undertaken and the increased focus on working capital, despite significant additional debt arising from the investments made in the last years, the Group has improved both its short-term and medium-term liquidity position. The Group's expectations, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements

1.2 Application of standards, amendments and interpretations

(a) New and amended standards adopted by the Group without relevant impact on the consolidated financial statements as of December 31, 2011:

- IFRS 1(Amendment), 'First time adoption'
- IFRS 7 (Amendment), 'Financial Instruments: Disclosures'
- IAS 1R (Amendment), 'Presentation of financial statements'
- IAS 24 (revised), 'Related parties disclosures'
- IAS 34 (Amendment), 'Interim Financial Reporting'
- IFRIC 13 (Amendment), 'Consumer Loyalty Programmes'
- IFRIC 14 (Amendment), 'Prepayments of a minimum funding requirements'
- IAS 21 (Amendment), 'The Effects of Changes in Foreign Exchange Rates'
- IAS 28 (Amendment), 'Investments in associates'
- IAS 31 (Amendment), 'Interest in joint ventures'.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Other amendments that are not yet effective and not relevant for the Group's operations:

- IFRS 1(Amendment), 'First time adoption'
- IFRS 7 (Amendment), 'Financial Instruments: Disclosures'
- IAS 12 (Amendment), 'Income taxes'.
- IAS 1R (Amendment), 'Presentation of financial statements'
- IAS 19 (Amendment), 'Employee Benefits'
- IFRS 9 'Financial Instruments'
- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosures of interests in other entities'
- IFRS 13 'Fair value measurement'
- IAS 27R 'Separate financial statements'
- IAS 28R 'Investments in associates'

1.3 Consolidation

Subsidiaries
All subsidiaries, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated.

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

Subsidiaries are consolidated from the date where control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. All inter-company transactions, balances and unrealised surpluses and deficits on

transactions between Group companies have been eliminated. When necessary, accounting policies for subsidiaries have been 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 1st of January of the following year.

The Group holds no special purpose entity not consolidated.

A listing of the Group's subsidiaries is set out in Note 5. The annual closing date of the individual financial statements is December 31. The financial effect of the acquisition and disposal of subsidiaries is described in Note 3.19.

Transactions and Non controlling interests
The Group treats transactions with Non controlling interests as transactions with equity owners of the Group.
For purchases from Non controlling interests, the differences between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains and losses on disposals to Non controlling interests are also recorded in equity.

Put and call options
The Group enters into agreements to acquire a subsidiary's shares held by minority shareholders and concomitantly benefits from the option to acquire these same shares. These agreements are accounted for as follows:

- In the case of a put and call option exercisable at a fixed price, the put and call are considered as being exercised for the Group, the Group therefore has an interest linked to the underlying shares. As such, no Non controlling interest is recognised in the balance sheet or the income statement. Goodwill is recognised, along with a debt, which represents the discounted future amount to be paid.
- In the case of a put and call option with a variable price, the debt (linked to the Non controlling interest, Note 3.14) is netted with the Non controlling interest part and the difference results in a goodwill "in progress" (Note 3.2). In 2010 and 2011, goodwill in progress adjustments have been accounted for in goodwill. In agreement with the choice mentioned in the AMF recommendations published in November 2009, the accounting treatment on the put on minority interest accounted according to the goodwill in progress method has not been modified following the the implementation of IFRS 3 revised and IAS 27 revised. From 2010 onwards, the put and call option on Non controlling interest will be booked in Equity and any post adjustments of the value.

Associates
Associate undertakings are accounted for by the equity method. These are Companies over which the Group has a significant influence, but which it does not control.

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 Profit and Loss statement.
In accordance with IFRS 3, 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 3 allows an accounting policy choice, available on a transaction by transaction basis, to measure Non Controlling Interest (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 acquisitions of associates is included in "investments in associates".

Separately recognised goodwill is tested annually for impairment and if objective evidence of an impairment loss and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to the cash generating units (CGUs) for the purpose of impairment testing. The allocation 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 each geographical area of operation (Note 4.1).

1.5 Intangible assets

Other intangible assets (computer software development costs, software, and licences) are booked at historical value, revised periodically in case of impairment. They are amortised over 3 years as they are not deemed to have an indefinite life.

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 are valued using the discounted cash flow method using an appropriate discount rate (WACC) over a maximum period of 20 years. It is based on the initial 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, normally not exceeding 20 years. For outsourcing deals signed with a sales contract, the amortization period is aligned with respect to the duration of the contract.

Brands are assessed on royalty potential in relation to the annual sales, net of taxes. Brands with indefinite useful lives are not amortised but instead are revised periodically in case of impairment (decrease in sales or brand no longer used). Brands with finite useful lives are amortized on a systematic basis over their estimated useful lives, over a 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.
Computer software development costs recognised as asset are amortised over their estimated useful lives, which does not exceed three years.

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

1.7 Property, plant and equipment

Tangible assets are stated at historical cost less depreciation. Depreciation on 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 leaseholds 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 Financial and Operating Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases at the beginning of the lease period to the fair value of the leased property or, if inferior, to the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. 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 lessee will obtain ownership by the end of the lease term, in that case the depreciation period is the useful life.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense during the period in which termination takes place.

1.9 Impairment of non financial assets

Assets that have an indefinite useful life (Goodwill and brands) are not subject to amortisation and are tested annually for impairment or if objective evidence of impairment loss. Assets that are subject to amortisation 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill are reviewed for possible reversal of an impairment that may have taken place at each reporting date.

For the goodwill impairment calculation, for each CGU, the *asset's fair value less costs to sell* of the cash-generating unit corresponds to an estimate based on financial multiples. To value it, two valuation methods are considered, linked to the financial structure of the Company acquired at the moment of its take-over:

- "Value per market share" linked to average revenues of the last 2 years ;
- "Recent profitability" linked to average EBITDA & EBITAS over the last 2 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 method of discounted cash flows using an appropriate discount rate (WACC).
This rate is adapted to the Eurofins Group activity. This discount rate is post-tax rate applied to post-tax cash flows, but before taking into account external financing costs.
The valuation of the value in use is carried out using reasonable and careful assumptions (WACC, organic growth), based over a period of 4 years with actual, budget and mid-term planning and projected over 2 further years. The valuation includes the net cash flows from disposal at the end of the useful life (terminal value).

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 equity are included in 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 current bid prices. If the market for a financial asset is not active (or for unlisted securities), the Group establishes 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 related to the aging short term 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 receivables 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 trade accounts receivable invoiced, trade accounts accrued and amounts due by clients for analysis in progress, depending on the stage of completion of the analysis.

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 an invoice being subject to dispute.

For governmental organisations risk, 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 and can be sold at any time). Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Changes in the fair value of cash and cash equivalents are recognised through profit and loss.

1.14 Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributable transaction 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 shareholder's 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 contributions 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.

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, together with adjustments for unrecognised past service cost. 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, laws changes and changes in actuarial assumptions are accounted for according to the corridor method. Actuarial gains and losses are not taken into account provided that they do not exceed ten percent of the commitment or ten percent of the fair value of the existing plan assets. The amount in excess of the corridor is distributed over the residual service period of the active workforce and recorded in profit and loss.

Past-services are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-services costs are amortised on a straight-line basis over the vesting period.

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 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. The Group adopted standard IFRS 2 from 2005 onwards and only on the share-based compensation plans carried out after the 7th of November 2002.

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 the fair value received, net of transaction costs incurred. Borrowings are subsequently stated 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.

Conclusion of a promissory note "Schuldschein"

End of July 2011 Eurofins concluded a € 170m Schuldschein loan ("Certificate of Indebtedness") offering, issued primarily to lengthen the Group's average debt maturity profile. This non-listed senior debt instrument provides the Group flexibility to manage and respond to potential market opportunities swiftly. The issue carries maturity of 5 and 7 years, with interest rates of Euribor 6m or mid-swap and a margin of 180bp or 220bp respectively, and was subscribed to by international investors, who are expected to hold the instrument to maturity. Given that the proceeds was used to retire part of the existing debt, with the remainder held in cash, the exercise has neutral impact on the Group's debt ratios, and there are no changes to the existing covenants.

1.18 OBSAAR Bonds

OBSAR 2006:

In March 2006, the Company issued OBSAR bonds (French acronym for "*Obligations à bons de souscription et/ou d'acquisition d'actions remboursables*") for a nominal amount of € 120m.

This financial instrument is composed of 2 elements:

- 90,910 bonds were issued at a par value of € 1,320 each, with a maturity expiring on 14 March 2011, 14 March 2012 and 14 March 2013 for one third respectively;
- Additionally, 3 BSAR warrants were attached to each bond, i.e. 272,730 warrants were issued with a 7-year life span ending on 14 March 2013; each BSAR warrant gives the right to subscribe to one share at a strike price of € 55;

The OBSAR bonds bear interest at a rate equal to the Euribor 3-month plus a margin of 0.85% per annum, payable quarterly.

A part of the 2006 Bonds held by the banks in the consortium and other holders of 2006 Bonds have been bought back up to a maximum amount corresponding to their effective respective subscription amount to the new issue OBSAAR, issued in June 2010.
This repurchase of 2006 bonds have been made at par value increased by the amount of accrued interest. In 2010, Eurofins has so repurchased 53.251 of its 2006 Bonds for an aggregate principal amount of € 70.3m at a unit price per 2006 Bond of EUR 1,320 increased by the amount of accrued interest.
In 2011, 14.152 2006 Bonds have been reimbursed or repurchased.

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 € 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 €594.60 per bond;
- Interest rate: Euribor 3 months + 1.75% p.a. payable on a quarterly basis;
- Redemption: in three equal tranches on 29 June 2015, 29 June 2016 and 29 June 2017;
- The net proceeds is €173.9m and the costs of the transaction have been capitalised and will be expensed along the maturity of the bonds;
- 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 share at a price of €40 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;
- The bonds are listed on Euronext Paris from the 29 June 2010 under ISIN FR0010891770;
- The warrants will be listed on Euronext Paris from the 30 June 2012 under the ISIN code FR0010891796. They will only be exercisable or transferable from 30 June 2012 to 29 June 2017.

The BSAARs have been mainly acquired by the managers of the Group in France and abroad, with the condition to not be able to sell or to convert them during a period of 5 years for the 2006 BSAR and according to the above conditions for the BSAAR issued in June 2010. The fair value of the equity conversion component (BSAAR) was determined by an independent expert's valuation. The fair value has been accounted for in equity for an amount of € 818K for the 2006 BSAR and € 473K for the 2010 BSAAR.

The fair value of the liability component is included in the line "OBSAAR Bonds" (Note 3.11).

1.19 Hybrid Capital

In May 2007, the Group issued subordinated hybrid bonds for a par value of € 100m. The bonds 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 bonds have a perpetual maturity but are callable at par by Eurofins in May 2014. The instrument is listed on the Stuttgart Freiverkehr (unregulated) market (initially Frankfurt).

In February 2011, the Group has extended its subordinated hybrid bond originally issued in May 2007 to optimize its balance sheet and allow it to respond swiftly to any potential compelling opportunities for acquisition. The EUR 51m raised (EUR 48m in net proceeds plus EUR 3m on accrued coupon) is drawn from the same bond instrument issued in May 2007 and bears the same structure as the EUR 100m from the original issue, bringing the total nominal value of Eurofins' Hybrid bond to EUR 150m. The bonds bear a fixed coupon of 8.081% and have a perpetual maturity but are callable at par by Eurofins in May 2014. The additional securities issued are fungible with the existing hybrid bond and are listed under the same ISIN code FR0010474627 on the Stuttgart Freiverkehr (unregulated) market.

The structure of the Hybrid Capital ensures that it is recognized 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 deferred distribution and the cost of issue are booked before tax in the equity as the relevant tax unity result is not sufficient.

In case of the Group decides to pay 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 May 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, 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

For the French entities, as from 2010, the total amount of the current and deferred "Cotisation sur la Valeur Ajoutée des Entreprises" CVAE tax expense is presented on the Income tax expense line of the consolidated income statement as it is based on the value added. A non material deferred tax is recorded on temporary differences related to assets and liabilities balance sheet items included within the CVAE tax base.

1.21 Trade payables

Trade payables are recognised initially at fair value, that corresponds in general to the nominal value, and subsequently measured at amortised cost using the effective interest method (if relevant).

1.22 Account payable on investment

As specified in Note 3.14, Account Payable on Investment is mainly comprised of amounts due to former shareholders of acquired companies for the likely estimated amount based on the full achievement of objectives targeted in the acquisition agreement (in general based for the major part on the operating profit). On the asset side, goodwill is accrued for the estimated amount. Thereafter, these amounts are discounted. At the moment all re-estimations of the accounts payables on investments are booked against goodwill. The put on non controlling interest contracted from 2010 are accounted for in equity (and any futures adjustments of the fair value).

The financial debt of the "put and call options" (part related to the transaction with Non controlling interests) is also accounted for in the line "Account payable on investment" at the fair value of the expected cash flow. The variation of the debt related to the impact of the discounted cash flow is accounted for in the income statement as a financial expense and the difference related to the put option is adjusted by the goodwill.

Linked to acquisition contracts signed with the vendors of acquired laboratories, part of the acquisition price may be paid by an exchange of Eurofins shares via the delivery of new or existing shares or by cash consideration, the choice of which is up to the Group:

- 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 "account payable on investment".
- In the case where the acquisition contract stipulates a fixed number of Eurofins shares, the amount due is accounted for in "retained earnings".

The estimates are based on the foreign exchange rates at year-end.

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 sales of goods and services 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.

Recognition of expected losses 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 total analysis to be performed.

Interest income is recognised on a time proportion basis using the effective interest method.

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 dilutive potential for ordinary shares. 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 Financial risk management

Liquidity risk

The Company and its subsidiaries have entered into several loan and facility agreements.

In March 2006, the Company issued OBSAR bonds (French acronym for "*Obligations à bons de souscription et/ou d'acquisition d'actions remboursables*") for a nominal amount of €120m.
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 €176m. Eurofins has also repurchased its 2006 Bonds for an aggregate principal amount of €70.3m (Note 1.18).

In July 2011 Eurofins concluded a € 170m Schuldschein loan ("Certificate of Indebtedness") primarily to lengthen the Group's average debt maturity (Note 1.17).

In May 2007, the Group issued subordinated hybrid bonds for a par value of €100m.
In February 2011, the Group has extended its subordinated hybrid bond originally issued in May 2007 by EUR 51m (EUR 48m in net proceeds plus EUR 3m on accrued coupon - Note 1.19).

Other loans/ facilities are secured either by contingent securities over assets and/or by financial covenants, determined at country or consolidated level. Such covenants are usually based on comparable ratios to those applicable to the OBSAAR bonds and the Schuldschein bonds.

An anticipated repayment can be forced in case of breach of one of the following two financial ratios:
- Consolidated Net Debt to Consolidated Equity should be less than 1.5 at the closing date of the Company's consolidated financial statements;
- Consolidated Net Debt to Clean EBITDA should be less than 3.5 at the closing date of the Company's consolidated financial statements.

The Clean EBITDA is the EBITDA excluding one-off/ reorganisation costs.

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 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 twelve months.

The gearing ratios at 31 December 2011 and 2010 were as follows:

€Thousand	2011	2010
Net debt (Note 3.9)	255,187	169,214
Total equity	320,315	230,691
Gearing ratio	0.8	0.7

The Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents.

The ratio Net debt over Clean EBITDA (excluding one-off/ reorganisation costs) on 31/12/2011 stands at 1.7 times EBITDA (1.5x in 2010), the covenants limits are 3.5x Clean EBITDA.

Bearing in mind the liquidity crisis that has been affecting the banking industry on a global basis since the end of 2008, which makes access to the credit markets more difficult or uncertain for corporate enterprises, it is possible that the Company will bear a higher cost to 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 at the balance sheet to the maturity date.

€Thousand Contractual obligations	Total	Up to 1 year	1-5 years	Over 5 years
Year 2010				
Long term debt	40,107	8,950	31,097	60
Lease obligations	3,578	1,802	1,379	397
OBSAAR	221,844	16,130	90,301	115,413
Account payable on investment	17,375	6,132	10,785	458
Derivative financial instruments	3,420	-	3,420	-
Interest due	434	434	-	-
Earnings to be paid to hybrid capital investors	4,938	4,938	-	-
Trade accounts payable	54,930	54,930	-	-
Total	346,626	93,316	136,982	116,328
Year 2011				
Long term debt	227,397	17,971	146,679	62,747
Lease obligations	3,558	1,182	2,003	373
OBSAAR	203,722	14,855	132,148	56,719
Account payable on investment	22,481	7,824	14,261	396
Derivative financial instruments	12,636	3,157	8,359	1,120
Interest due	4,108	4,108	-	-
Earnings to be paid to hybrid capital investors	7,405	7,405	-	-
Trade accounts payable	75,009	75,009	-	-
Total	556,316	131,511	303,450	121,355

As at December 31, 2011 Cash and cash equivalents and bank overdrafts stands at €173,748 K (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, including OBSAAR bonds as specified above. The loans/facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans/facilities with a variable interest rate in the parent 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 4.3).

These derivative financial instruments are initially recognised in the balance sheet at cost and subsequently re-measured to their fair value. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in equity, net of tax if applicable. The gain or loss relating to the ineffective portion of change of fair value is recognised in the income statement. The ineffective portion if above 100% is booked also in equity. Derivative financial instruments are accounted for at fair value in the respective liability or asset.

However, as there are other existing lines of credit that are still based on a variable rate, it can't be excluded that the interest rate concerning these loans will rise in the future. This could have an adverse effect on the Company's net worth, financial position, and operating results.

Currency risks

Presently, Eurofins Scientific obtains roughly 45% of its revenues outside 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 sheets of the subsidiaries (fixed and operating assets, 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/ will be recorded in the corresponding foreign currency and then converted into Euro in the future, for inclusion in the Company's consolidated financial statements at the applicable exchange rate.

In some cases, where an exchange risk might be applicable with revenues and cost structures in different currencies, the Company or its subsidiaries may have entered into some currency hedging instruments to avoid exchange rate fluctuations.

These derivative financial instruments do not qualify for cash flow hedge accounting. Changes in the fair value are recognised immediately in the income statement. Derivative financial instruments are accounted for at fair value in the respective liability or asset.

However, even though the Company intends 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 net worth, financial position, and operating results, particularly with respect to the US Dollar, the Danish, Swedish and Norwegian Krona and the Pound Sterling.

Credit risk

Given the quality of Eurofins Scientific customers, the Company believes the risk of bad debts appears 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 debt 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 Eurofins Scientific has a large number of customers. The Company wishes not to be dependent on any single customer. The Group's biggest customer represents approximately 3% of consolidated Group revenues and the first 10 customers of the Company represent altogether less than 10% of the consolidated revenues. However it cannot be ruled out that in future Eurofins Scientific will be dependent on several major clients. The loss of one or more of these customers would in that case have an adverse effect on Eurofins Scientific net worth, financial position and operating results, or in extreme cases its very existence.
The amounts relating to trade accounts receivable and bad debt provision are contained in note 3.7 to the financial statements.

1.26 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 shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the Group monitors capital structure on the basis of the gearing ratio (Note 1.25).

1.27 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 risks

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. labour, environmental and commercial risks), it can't be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Use of estimates:

The Group makes estimates and assumptions concerning the future. 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 and intangibles related to acquisitions
The Group tests annually if goodwill, customer relationships and brand names have suffered any impairment, in accordance with the accounting policy (Note 1.9). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Variable acquisition price calculation
The Group reviews frequently the variable acquisition price calculation. The formulas are based on current and/or future profitability of the acquired companies. These calculations require the use of estimates. Thereafter, these amounts are re-estimated each year.

Intangible assets acquired as part of an acquisition valuation
The Group estimated for each acquisition the value of the potential intangible asset related to an acquisition (e.g. customer relationships, brand name). The valuation methods are described in the Note 1.5.

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).

1.28 Segment reporting

The reportable segments identified in accordance with IFRS 8 are similar to the business units segments initially defined on the application of IAS 14. 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 area.
The monthly reporting is provided to the chief operating decision maker which is the Group Executive Committee. The chief operating decision maker allocates resources and assesses performance of the Group's operating segments.

1.29 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 31st December.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, are booked into "Exchange 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 on the 31st December are recognised in the income statement.

2. Notes to the Income Statement

2.1 Cost of purchased materials and services

€ Thousand	2011	2010
Cost for consumables and external subcontracted services	123,103	106,261
Logistics, transportation and equipment costs	64,127	54,113
Other personnel costs (mainly travelling expenses)	28,653	23,857
Building costs	47,031	40,975
Legal, insurance and communication costs	31,329	28,375
Total	294,243	253,581

2.2 Personnel expenses

€ Thousand	2011	2010
Wages and salaries	325,711	272,424
Temporary personnel costs	6,141	4,796
Social security costs and Pension costs	68,560	49,386
Pension accrual (Note 3.15)	979	996
Personnel costs	401,391	327,602

Weighted average Full Time Equivalent (FTE)*	2011	2010
Benelux	750	713
France	1,697	1,437
Germany	1,936	1,863
North America	1,566	622
Nordic countries	1,101	1,128
UK and Ireland	526	424
Other	1,166	1,035
Total FTE	8,742	7,222

* Employee numbers are weighted average "Full time equivalents" (FTE) during the period, i.e. the figures are weighted by the time that (acquired) laboratories are fully consolidated in the Group.

By the end of the year, the total headcount within the Group reached 10,860 employees (8,072 in 2010).

2.3 Other operating income and expenses, net

€ Thousand	2011	2010
Operating grant	592	269
Other income	4,248	3,255
Production of own intangible assets (Software - LIMS)	6,042	4,364
Bad debt (including allowance)	-1,411	-699
Other	-138	87
Losses/ gains on the disposal of subsidiaries	0	842
Disposal/ write off of fixed assets	-704	-1,182
One-off/ reorganisation costs	-2,697	-12,921
Total	5,932	-5,985

The non current costs and the write off of fixed assets (one-off/ reorganisation costs) included in 2011:

- The last step of the reorganisation and the move of the laboratory activities from Oslo to Moss in Norway. Moss is now the main site in Norway;
- The consolidation of the Swedish Microbiology activities into one single site;
- The consolidation of the South French Chemistry activities into one single site in Aix en Provence;
- Settlement of a litigation with the previous shareholders of one subsidiary in the United States;
- The consolidation of the laboratory activities into one single site in Ireland.

In 2011, the costs mainly correspond to other smaller site consolidation costs throughout Europe, closure of non-core activities associated with recent acquisitions and the program to bring all Group laboratories up to standards.

For 2010, mainly:

- The consolidation and disposal of a number of sites in Norway (especially in Olso now being consolidated into the Moss site);
- The transfer of the French microbiology site into the French biggest Food laboratory in Nantes;
- The downsizing of one French and Danish site.

The French tax credit research is accounted as a grant and booked in the line "Other income".

2.4 Non cash accounting charge for stock options

€ Thousand	2011	2010
Non cash accounting charge for stock options	2,539	2,266

Stock options are granted to selected managers and employees. The exercise price of the granted options is about equal to the market price on the date of the grant. Options are conditional on the employee completing the vesting period. 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 weighted average fair value of options granted during the period is determined using the Black-Scholes valuation model. An annual risk-free interest rate of 3% was used for the 2011 plans. The volatility measured is based on statistical analysis of daily share prices over the last year (2011: roughly 40%).

Plan	Number of stock options initially granted	Average expected option period	Average subscrip -tion price (€)	Weighted average fair value of options (€)
18-12-2003	215,400	5.0	9.80	3.67
01-02-2005	26,650	4.5	18.77	5.78
01-02-2005	78,400	4.0	18.77	5.41
01-02-2005	39,500	7.5	18.77	7.69
29-08-2005	68,500	6.0	27.8	11.46
10-01-2006	5,500	4.5	37.97	13.45
18-09-2006	152,407	4.5	50.00	16.70
20-07-2007	150,330	4.5	66.00	23.37
17-07-2008	84,475	5.5	51.08	22.62
17-07-2008	84,475	6.0	51.08	23.66
18-12-2008	17,005	5.5	31.62	14.00
18-12-2008	17,005	6.0	31.62	14.65
05-01-2009	58,350	5.0	32.60	12.92
05-01-2009	58,350	6.0	32.60	14.18
10-11-2009	76,700	5.0	31.88	13.29
10-11-2009	76,700	6.0	31.88	14.54
31-08-2010	82,200	5.0	36.62	14.51
31-08-2010	82,200	6.0	36.62	15.90
05-10-2010	6,225	5.0	37.06	14.68
05-10-2010	6,225	6.0	37.06	16.09
23-02-2011	44,875	5.0	50.13	20.24
23-02-2011	44,875	6.0	50.13	22.20
10-10-2011	79,175	5.0	57.83	23.83
10-10-2011	79,175	6.0	57.83	26.10

The movements in the number of share options are described in Note 4.4.

2.5 Financial result

€ Thousand	2011	2010
Financial income	1,303	909
Interest expense on borrowings	-4,824	-4,769
OBSAAR interest	-8,001	-6,662
Schuldschein interest	-3,204	0
Net foreign exchange gain/ loss	-559	-356
DCF charge on Account payable on investment	-677	-1,157
DCF charge on OBSAAR bonds costs	-433	-679
Variation of the fair value of financial instrument	0	0
Total	-16,395	-12,714

2.6 Income tax

€ Thousand	2011	2010
Current tax	-15,994	-10,023
Deferred tax (Note 3.17)	2,178	-810
Total	-13,816	-10,833

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

€ Thousand	2011	2010
Result before income tax	70,463	36,176
Tax calculated at domestic rates applicable to profits in the respective countries	-21,410	-10,899
Tax impact on non deductible expenses or not taxable income or income taxed at a reduced tax rate	+7,623	+7,106
Tax impact on result equity method	+80	+52
Tax impact on expenses deductible not accounted	+228	+6
Tax impact on tax losses not capitalised	-7,616	-8,921
Utilisation of previously unrecognised tax losses	+7,687	+2,132
Tax impact on tax losses used and lost	-328	-51
Adjustment in respect of prior years	-80	-209
Minimum Income tax	-93	-75
Tax credit	+94	26
Tax charge	-13,816	-10,833

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

3. Notes on the Balance Sheet and Cash flow statement

3.1 Property, plant and equipment

€Thousand	Assets in progress	Land & Buildings & Leasehold improvements	Machinery	Office & Vehicles	Total
Year 2010					
Opening net book amount	4,547	46,570	70,071	13,814	135,002
Exchange differences	139	849	1,983	393	3,364
Change of scope	0	508	1,831	255	2,594
Additions	-2.656[1]	10,049	21,922	4,746	34,061
Disposals	-10	-676	-1,399	-467	-2,552
Depreciation charge	0	-7,713	-22,237	-5,435	-35,384
Closing net book amount	2,020	49,587	72,171	13,307	137,085
Cost or valuation	2,020	85,323	236,811	43,073	367,227
Accumulated depreciation	0	-35,736	-164,640	-29,766	-230,142
Net book amount at 31 December 2010	2,020	49,587	72,171	13,307	137,085
Year 2011					
Opening net book amount	2,020	49,587	72,171	13,307	137,085
Exchange differences	186	-15	858	38	1,067
Change of scope	0	6,075	12,963	1,307	20,345
Additions	5,966	3,215	27,033	7,573	43,787
Disposals	0	-493	-385	-181	-1,059
Depreciation charge	0	-6,460	-25,147	-6,432	-38,039
Closing net book amount	8,172	51,909	87,493	15,612	163,186
Cost or valuation	8,172	94,438	289,747	52,357	444,714
Accumulated depreciation	0	-42,529	-202,254	-36,745	-281,528
Net book amount at 31 December 2011	8,172	51,909	87,493	15,612	163,186

[1] This negative amount represents a reallocation amount from “Fixed assets in progress" to "Leasehold improvements” at the start of use of the equipment concerned.

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

€Thousand	2011	2010
Capitalised cost of finance leases	14,581	12,825
Accumulated depreciation	-11,325	-9,420
Net book amount	3,256	3,405

3.2 Intangible assets

Other intangible assets €Thousand	Customer relationships	Brand	Software *	Other intangible assets	Total
Year 2010					
Opening net book amount	12,834	4,789	12,206	114	29,943
Exchange differences	0	0	40	5	45
Change in consolidation scope	0	0	46	-88	-42
Additions	0	0	6,894	41	6,935
Disposals	0	0	-49	182	133
Amortisation charge	-1,074	0	-5,623	-108	-6,805
Closing net book amount	11,760	4,789	13,514	146	30,209
Cost	16,444	4,789	35,505	1,650	58,388
Accumulated amortisation	-4,684	0	-21,991	-1,504	-28,179
Net book amount at 31 December 2010	11,760	4,789	13,514	146	30,209
Year 2011					
Opening net book amount	11,760	4,789	13,514	146	30,209
Exchange differences	1,400	372	49	-2	1,819
Change in consolidation scope	20,758	5,515	829	130	27,232
Additions	0	46	10,073	0	10,119
Disposals	0	0	0	0	0
Amortisation charge	-2,034	-208	-7,625	-274	-10,141
Closing net book amount	31,884	10,514	16,840	0	59,238
Cost	38,602	10,722	49,550	2,206	101,080
Accumulated amortisation	-6,718	-208	-32,710	-2,206	-41,842
Net book amount at 31 December 2010	31,884	10,514	16,840	0	59,238

*Software, including software in progress

The change of scope is mainly linked to the identification of intangible assets (customer relationships and brand) on the acquisition of Lancaster.

Goodwill € Thousand	2011	2010
Opening net book amount	246,370	239,313
Exchange differences	7,802	8,859
Change in consolidation scope	125,150	-1,802
Impairment / Amortisation charge	0	0
Closing net book amount	379,322	246,370
Cost	391,501	258,549
Accumulated amortisation	-12,179	-12,179
Net book amount	379,322	246,370

Impairment of goodwill, amortisation of intangible assets and transactions costs related to acquisitions € Thousand	2011	2010
Impairment of goodwill	0	0
Amortisation of intangible assets	2,242	1,074
Transactions costs related to acquisitions	1,426	0
Retention bonus	547	0
Total	4,215	1,074

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

The change in consolidation scope corresponds to:

- New acquisitions of the period: €-147,308 K,
- Adjustments of previous goodwill under IFRS 3 (before revision): €+755 K,
- Change in goodwill in progress: € -4,870 K (transaction with Non controlling interests).

The conditional Goodwill is accounted for as an agreement to buy out the minority shareholders (Note 1.3 and 3.19) and represents an amount of € 10,525 K at December 31, 2011.

Impairment tests on goodwill, customer relationships and brands:

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 & Ireland, Other Countries.

Key ratios used	2011	2010
Discount rate after tax	8.1%	8.0%
Beta	1.5	1.5
Risk free interest rate	3.0%	2.4%
Organic perpetual growth rate	5.0%	5.0%

The EBITAS used is between 7% and 17% of the Revenues depending on geographic areas for 2012, with an improvement in subsequent years.
Ratios (Sales, EBITDA and EBITAS per CGU) are not provided for confidentiality reasons because they would affect the Group's acquisition model.

The Goodwill, customer relationships and brands carrying amounts of each CGU represent between 0.3 and 0.5 times of their respective revenues (Note 4.1), except US linked to the recent acquisition of Lancaster (0.9).

As at 31st December 2011, the values in use (Note 1.9) represent between two and six the net book values for each CGU.

	NBV[1] / Revenues		Value in use / NBV	
	2011	2010	2011	2010
Benelux	0.31	0.32	3.4	2.9
France	0.27	0.28	4.3	3.6
Germany	0.36	0.38	5.5	4.2
North America	0.92	0.39	1.6	2.9
Nordic countries	0.54	0.57	3.6	2.7
UK & Ireland	0.39	0.39	5.5	2.1
Other	0.29	0.30	6.5	3.7

[1] NBV = Net book value on goodwill, customer relationships and brand

Sensitivity tests:
Reducing Revenues ratios, EBITDA, EBIT by 25% and rising up the discount rate by 1% point would not result in any complementary goodwill, customer relationships and brands impairment.

3.3 Non-current assets held for sale

€ Thousand	2011	2010
Closing net book amount	0	0

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 through a continuing of use.

3.4 Investments in associates

€ Thousand	2011	2010
Opening net book amount	2,620	2,260
Exchange differences	245	219
Change of scope	514	13
Acquisition	3	0
Disposals	-10	-5
Dividends received	-79	-47
Share of (loss)/ profit of associates	319	180
Closing net book amount	3,602	2,620

Main associate undertakings: € Thousand	2011 FASMAC Co. Ltd	2010 FASMAC Co. Ltd
Revenues	8,168	7,132
Net profit	1,342	815
Total Assets	9,355	6,976
Equity	4,978	3,864
% interest held	41,33%	41.33%

3.5 Financial assets, trade and other receivables

€ Thousand	2011	2010
Opening net book amount	6,770	5,487
Exchange differences	99	81
Change of scope	1,521	1,163
Increase	0	121
Decrease	-509	-82
Closing net book amount	7,881	6,770

€ Thousand	2011	2010
Lease deposits	7,881	5,820
Deposits in escrow	0	950
Loans	0	0
Closing net book amount	7,881	6,770

The lease deposits and loans are classified in the category "Loans and receivables".

3.6 Inventories

€ Thousand	2011	2010
Total consumables	9,949	8,389

3.7 Trade accounts receivable

€ Thousand	2011	2010
Trade accounts receivable – gross	182,826	133,703
Accrued sales	12,933	7,827
Amounts due by clients for analysis in progress	28,153	19,289
Provision for impairment of receivables	-9,077	-6,832
Total	214,835	153,987

Change in allowance for bad debt € Thousand	2011	2010
Opening net book amount	6,832	6,989
Exchange differences	-19	116
Change of scope	1,829	72
Increase	1,370	1,039
Decrease	-935	-1,384
Closing net book amount	9,077	6,832

The Group aging balance as at 31/12/2011 is as follows:

€ Thousand	2011	%
Below five months after invoicing date	171,047	94.9%
Over five months after invoicing date	9,267	5.1%
Total	180,314	100%

3.8 Prepaid expenses and other current assets

€ Thousand	2011	2010
Prepayments & Prepaid expenses	7,106	5,674
Other receivables	21,542	16,053
Total	28,648	21,727

3.9 Cash and cash equivalents and bank overdrafts/ Net debt

€ Thousand	2011	2010
Marketable securities	90,009	26,623
Cash in hand	89,481	80,881
Cash & cash equivalents	179,490	107,504
Bank overdrafts	-5,742	-11,188
Cash and cash equivalents and bank overdrafts	173,748	96,316

The marketable securities consist mainly of money market funds in Euros. At the end of the reporting period, the carrying amount reflected above is the fair value based on the market price as they are quoted on active markets.

€ Thousand	2011	2010
Borrowings	230,955	54,874
OBSAAR	203,722	221,844
Cash and cash equivalents	-179,490	-107,504
Net debt	255,187	169,214

3.10 Borrowings

€ Thousand Variation of borrowings	2011	2010
At beginning of year	43,686	117,912
Exchange differences	-37	671
Change of scope	16,770	506
Proceeds from borrowings	175,764	1,448
Repayment of borrowings	-10,970	-76,851
At end of year	225,213	43,686
Bank overdrafts	5,742	11,188
Total Borrowings	230,955	54,874

In July 2011 Eurofins concluded a € 170m Schuldschein loan ("Certificate of Indebtedness" - Note 1.17).

€ Thousand Analysis of borrowings	2011	2010
Bank borrowings	12,229	8,950
Conditional advances	0	0
Bank overdrafts	5,742	11,188
Short term debt and current portion of long term debt	17,971	20,138
Lease liabilities	1,182	1,802
Total current borrowings [1]	19,153	21,940
Bank borrowings	209,426	31,157
Conditional advances	0	0
Long term debt, less current portion	209,426	31,157
Lease liabilities	2,376	1,777
Total non-current borrowings	211,802	32,934
Total borrowings	230,955	54,874

[1] Thereof:

- Bank overdrafts: € 5,742 K (short term but renewable);
- Finance lease: € 1,182 K (repayable monthly);
- Bank loans: About € 2.9 million can be classified as 3 months maturity, € 4.6 million as 6 months maturity and € 4.7 million between 6-12 months maturity (given that certain bank loans relate to revolving lines of credit).

3.11 2006 OBSAR & 2010 OBSAAR Bonds

€Thousand	2011	2010
At beginning of year	221,844	118,057
Change of scope	0	0
Proceeds from the OBSAAR bonds (net income)	0	173,400
Repayment of the OBSAR bonds	-18,555	-70,291
Expenses	433	678
At end of year	203,722	221,844
Current	14,855	16,130
Non-current	188,867	205,714
Total	203,722	221,844

The 1st tranch of the 2006 OBSAR have been repaid during the year.

3.12 Hybrid capital

€Thousand	2011	2010
At beginning of year	100,000	100,000
Proceeds from the Hybrid capital	50,000	0
Repayment of the Hybrid capital	0	0
At end of year	150,000	100,000

The distribution for the year before tax was €11,589 K (January – December 2011) and has been accounted for before tax in equity in retained earnings as the relevant tax unity results is not sufficient.

In February 2011, the Group has extended its subordinated hybrid bond originally issued in May 2007 (Note 1.19).

3.13 Other current liabilities

€Thousand	2011	2010
Tax and social security payables	37,733	30,770
Tax and social accruals	51,927	40,902
Other debt	1,769	1,004
Other payables	13,681	8,966
Operating other current liabilities	105,110	81,642
Interest due	4,108	434
Earnings to be paid to hybrid capital investors	7,405	4,938
Total	116,623	87,014

3.14 Account Payable on Investment

Account payable on investment comprises conditional clauses in the price payable to former shareholders of purchased companies at the estimated amount due.

€Thousand	2011	2010
At beginning of year	17,375	21,962
Exchange differences	557	689
Change of scope – net of amount paid	3,871	-6,433
Discounted cash flow charge (Note 2.5)	677	1,157
At end of year	22,480	17,375
Current	7,824	6,132
Non-current	14,656	11,243
Total	22,480	17,375

The change of scope (€3,871 K) corresponds for a part to

- payments of the period: €-9,370 K,
- increase of the debt linked to new acquisitions of the period: €10,687 K,
- the re-evaluation (decrease) of the debt on Goodwill in progress under IFRS 3 (before revision): €2.554 K.

The discount rate used in 2011 is 3.96% (3.5% in 2010).

The periods in which the non-current account payable on investment will be paid are:

€Thousand	2011	2010
Between 1 and 5 years	14,261	10,785
Over 5 years	395	458
Total non-current	14,656	11,243

The part of the account payable on investment related to the transaction with Non controlling interests/ put and call options (Note 3.2) is detailed below:

€Thousand	2011	2010
Part of the account payable on investment related to the transaction with Non controlling interests	17,715	12,401

The difference between Account payable on investment related to the transaction with Non controlling interests/ put and call options and Goodwill in progress (Note 3.2) corresponds to the minority interest part.

For confidentiality reasons more detailed price conditions are not disclosed. The Companies mentioned above have already been fully consolidated and the liabilities related to the impact of the deferred price (including put & call options) are already included in the line "Account payable on investment".

3.15 Retirement benefit obligations

The movement on the pension accrual account is as follows:

€Thousand	2011	2010
At beginning of year	14,318	12,411
Exchange differences	34	575
Change of scope	1,951	208
New plan (changes in Other Comprehensive Income) [1]	1,767	0
Annual expense	1,654	1,689
Release due to change in obligation	0	-243
Contributions paid	-334	-322
At end of year	18,822	14,318

€Thousand The amounts recognised in the balance sheet are determined as follows:	2011	2010
Present value of funded obligations	27,177	19,793
Fair value of plan assets	-5,202	-2,291
Present value of unfunded obligations	21,975	17,502
Unrecognised actuarial gains (losses)	-3,153	-3,184
Amortisation of the actuarial gains (losses)	0	0
Pension liability in the balance sheet	18,822	14,318

[1] One of the Norwegian subsidiary has during the period booked a pension obligation of € 1.7m vested pension rights for employees related to an old scheme from the time before Eurofins bought companies with a State pension and a deferred tax assets of €0.5m. The actuaries have previously not been able to calculate the obligation which is why it was previously not booked. This obligation

is treated as an actuarially loss identified in current period and included in the Statement of Comprehensive Income.

The amounts recognised in the Income Statement are determined as follows:

€Thousand	2011	2010
Current service cost	705	758
Interest cost	843	792
Expected return on plan assets	-168	-100
Actuarial gain (loss) recognised in the year	238	106
Amortisation of the actuarial gains (losses)	0	106
Release of pension accrual	0	0
Additional charges	36	27
Total	1,654	1,689

Out of the total yearly amount recognised in the Income Statement, € 979k has been recognised in "Personnel expenses" (Note 2.1) and €675k in the "Financial result".

The principle actuarial assumptions used depending on the country were as follows:

	Range
Discount rate	From 3.3% to 5.2%
Future salary increase	From 3% to 4%

Assumptions regarding future mortality experience are set based on actuarial data, published statistics and experience in each country.

The Group has in Germany, in The Netherlands, in Norway and in Italy assets to fund the pension obligations.

3.16 Provisions for other liabilities and charges

€Thousand	Focusing resources	Charges	Total
At 1/1/2010	13,615	4,880	18,495
Exchange differences	403	154	557
Change of scope/ Reclassification	-219	689	470
Additional provisions	6,191	2,408	8,599
Utilised during year	-7,497	-816	-8,313
Unused amounts reversed	-1,463	-411	-1,874
At 31/12/2010	11,030	6,904	17,934

€Thousand	Focusing resources	Charges	Total
At 1/1/2011	11,030	6,904	17,934
Exchange differences	22	-3	19
Change of scope/ Reclassification	570	7,404	7,974
Additional provisions	179	1,878	2,057
Utilised during year	-5,444	-845	-6,289
Unused amounts reversed	-811	-823	-1,634
At 31/12/2011	5,546	14,515	20,061

The variation of provisions for other liabilities is included in the exceptional costs (Note 2.3).

The change of scope on provisions mainly come from the acquisition of the IPL group in France, with the reorganisation plan announced and booked before acquisition.

The periods in which the provision for other liabilities will be paid are:

In Million	2011
Up to one year	16,468
1 to 5 years	3,196
Over 5 years	397
Total	20,061

3.17 Deferred income taxes

The movement on the deferred income tax account is as follows:

€Thousand	2011	2010
At beginning of year	5,992	8,516
Exchange differences	-251	936
Change of scope	-8,943	-1,740
Deferred taxes on Retirement benefit obligations (change in Equity)	496	0
Deferred taxes on net investments (change in Equity)	-937	-752
Deferred tax on BSAAR	0	-158
Income statement/ charge or income (Note 2.6)	2,178	-810
At end of year	-1,465	5,992

The amounts of deferred taxes are shown in the consolidated balance sheet as follows:

€Thousand	2011	2010
Deferred tax assets	19,460	17,278
Deferred tax liabilities	-20,925	-11,286
Total	-1,465	5,992

Deferred income tax assets are recognised for tax losses carry-forwards only to the extent that realisation of the related tax benefit is probable. The Group has carry forward tax losses of over € 150 million, excluding MWG Group, to carry forward against future taxable income and which have not been recognised as tax assets in these financial statements due to uncertainty of their recoverability. The MWG Group has more than €79 million carry-forward tax losses, not capitalised at Group level.

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred tax effect in €Million	2011	OCI	Equity	Change of scope	Net profit	2010
Goodwill amortisation tax deductible	-4.9	-	-	-	0.9	-5.8
Customer relationship and brand amortisation	-17.1	-	-	-8.9	-	-5.8
Discounted account payable on investment	-0.5	-	-	-	-0.2	-0.3
Tax losses car capitalised	15.7	-	-	-	2.7	13.0
Pension accrual	2.0	0.5	-	-	0.1	1.4
temporary differences on the fixed assets	1.8	-	-	-	-0.6	2.4
Other	1.5	-0.9	-0.3	-	1.6	1.1
Total	-1.5	-0.4	-0.3	-8.9	2.1	6.0

3.18 Change in net working capital

€Thousand	2011	2010
Change in:		
Trade accounts receivable	-60,848	-8,689
Inventories	-1,560	-620
Prepaid expenses and other current assets	-6,921	-901
Trade accounts payable	20,079	4,372
Advance payments received and deferred revenues	6,574	-2,174
Other current liabilities	23,469	8,147
Total	-19,209	135
Change of scope – current assets	46,429	1,847
Change of scope – current liabilities	-34,275	352
Exchange differences	177	-284
Total	-6,878	2,050

3.19 Business combinations

During 2011 the Company acquired new companies and carried out outsourcing/ asset deals (List in Note 5.1).

The Group acquired the companies Lancaster (1,272 employees) in Q1 2011 and in the last quarter of the year IPL Group (696 employees), BECEWA (21 employees) and Chemiphar Group (70 employees), strengthening the Pharma and environmental testing operations in North America, in France and in Belgium.

The fair values of assets and liabilities acquired or disposed were as follows:

€Thousand	2011	2010
Property, plant and equipment	-20,345	-2,586
Intangible assets	-959	42
Goodwill	-125,150	1,802
Customer relationships and brands	-26,273	0
Investments	0	-13
Financial assets	-2,035	-1,163
Current assets excluding Cash	-46,429	-1,847
Corporate tax receivable	-1,151	-2,439
Cash	-24,695	-823
Current liabilities	34,275	-352
Corporate taxes due	-486	1,534
Negative Goodwill	0	0
Equity	-1,795	-1,168
Losses/ gains on the disposal of subsidiaries	0	842
Non controlling interest	-1,587	-440
Borrowings	16,770	506
Account payable on investment	3,871	-6,433
Pension accrual	1,951	208
Provisions for risks	7,974	470
Deferred income taxes	8,943	1,740
Total purchase/ sale price	-177,121	-10,120
Less cash	24,695	823
Cash outflow on change of scope	-152,426	-9,297
Divided into:		
Cash outflow on acquisition	-152,426	-9,226
Proceeds from disposals of a subsidiary, net of cash transferred	0	-71

The cash outflow on acquisition concerns both acquisitions for 2011 and previous years.
The total acquired business contributed revenues of €91.8 million and EBITAS related to acquisitions of €13.6 million for 2011. If the effective dates of these acquisitions would have been 1 January 2011, Group revenues would have been increased by an additional € 67 million and Clean EBITAS unchanged (breakeven consolidated contribution).

For the acquired companies, the fair value on net assets acquired was in line with the book value at the acquisition date.

Details of net assets acquired and goodwill are as follows:

€Thousand	2011	2010
Purchase price paid	177,067	10,131
Acquisition price payments in Eurofins shares	-788	0
Account payable on investment (paid or released) for current and previous years – Note 3.14	3,871	-6,433
Acquisition costs relating to the acquisition	-1,427	0
Total Purchase consideration	178,723	3,698
Fair value of net assets acquired	-27,300	-5,295
Goodwill and intangible assets related to acquisitions (Note 3.2)	151,423	-1,597

The goodwill and intangibles assets related to the acquisitions of Lancaster and IPL Group amounts € 114.5 million and € 20 million respectively, the fixed & financial assets € 10,2 million and € 6.4 million, the trade accounts receivables €15.8 million and €15.2 million, the suppliers € 1.6 million and € 9.3 million and the other liabilities € 2.8 million and €16.7 million.

The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise after acquisition.

3.20 Shareholders equity

The share capital is composed of 14,355,229 shares of €0.10 each. The allotted, called-up and fully paid capital is therefore €1,435 K.

The shareholders equity has raised by €1,225 K due to the exercise of stock options by employees (52,890 new shares have been issued) and 12,440 new shares by exercise of partial & optional acquisition price payments in Eurofins shares and 42 BSAAR.

On the period, a dividend for an amount 0,20 € per share for an amount of €2.858 K has been distributed.

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 & Ireland, and Other countries (rest of the world).

€ Thousand Revenues	2011	2010
Benelux	77,219	73,164
France	152,861	134,668
Germany	176,821	158,635
North America	145,907	68,325
Nordic countries	145,535	135,593
UK & Ireland	48,483	41,428
Other	82,108	68,520
Total	828,934	680,333

Revenues are based on the production country. For confidentiality reasons, the operating income by geographical areas is not provided.

Total assets and capital expenditure are shown in the geographical area in which the assets are located.

€ Thousand Total Assets	2011	2010
Benelux	87,905	65,441
France	273,171	121,011
Germany	188,071	190,080
North America	243,915	62,581
Nordic countries	144,796	135,109
UK & Ireland	45,664	50,232
Other	91,053	111,707
Total	1,074,575	736,161

€ Thousand Capital expenditure	2011	2010
Benelux	4,847	3,914
France	30,327	2,914
Germany	16,894	11,032
North America	127,696	5,429
Nordic countries	7,639	4,695
UK & Ireland	6,706	4,124
Other	11,220	7,085
Total	205,329	39,193

Capital expenditure includes the purchase of property, plant, equipment (€ 43,787 K) and intangible assets (€ 10,119 K) and the change of scope for goodwill, brand name and customer relationship (€ 151,423 K).

4.2 Contractual obligations and other commercial commitments

Contingent liabilities over borrowings (Note 3.10 & 3.11)
The liabilities/ 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.

€ Thousand	2011	2010
Bank borrowings secured over building and assets *	19,607	10,783
Leases secured over building and assets **	3,477	3,686
Bank borrowings secured by covenants & assets	0	0
Total borrowings and leases secured	*23,084*	*14,469*
Bank borrowings & OBSAAR secured by covenants	396,931	248,015
Total	420,015	262,484

* 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.

Detail of specific contingencies linked to acquisitions
(already included in the total of the lines "Bank borrowings secured over buildings and assets or by covenants")

Bank borrowings secured by covenants
The Group respects the covenants of its relevant lines of credit at 31 December 2011.

The Group's other contractual obligations and commercial commitments as of December 31, 2011 comprise (not shown in the balance sheet):

€ Thousand Other contractual obligations given	Total	Up to 1 year	1-5 years	Over 5 years
Operating leases *	124,864	,27,831	60,383	36,650
- Buildings	*118,942*	*24,846*	*57,488*	*36,608*
- Equipments & cars	*5,922*	*2,985*	*2,895*	*42*
Irrevocable purchase obligations	242	242	-	-
Other long term obligations	-	-	-	-
Total	125,106	28,073	60,383	36,650

* Future aggregate minimum lease payments, non cancellable (operating leases), net (discounted).

Irrevocable purchase obligations are related to one company not fully consolidated in which the Group has the benefits of a Put and a Call option.

€ Thousand Other commercial commitments	Total	Up to 1 year	1-5 years	Over 5 years
Credit lines	-	-	-	-
Letters of credit				
Guarantees given related to financing	54,834	54,834	-	-
Guarantees given related to acquisition	10,260	1,200	9,060	-
Repurchase commitments	-	-	-	-
Other commercial commitments	-	-	-	-
Total given	65,094	56,034	9,060	-
Guarantees received	-	-	-	-
Total given, net	65,094	56,034	9,060	

Detail of guarantees given related to financing

- In an agreement signed between the companies Eurofins Services NL BV and one of its clients, a guarantee was granted by Eurofins Scientific SE to the benefit of Eurofins Services NL BV, guaranteeing

the prompt payment of all amounts that might be due by Eurofins Services NL BV.

- In the scope of a grant of an amount of £ 1,922 K, provided by the Chief Executive of Advantage West Midlands, the company Eurofins Scientific SE has guaranteed by a comfort letter to provide the company Eurofins Laboratories Ltd with the cash required to allow it to fulfil its obligations and to ensure the payment of all amounts due by Eurofins Laboratories Ltd in execution of its commitments.
- Eurofins Scientific SE has signed three foreign currency hedge agreements with the company Eurofins Finance SA respectively related to :
  - A USD loan from Eurofins Finance SA to Eurofins Genomics BV. The impact of this agreement is an exchange gain of € 2,600 K for Eurofins Scientific SE.
  - A USD loan from Eurofins Finance SA to Eurofins Pharma US Holdings II Inc. The impact of this agreement is an exchange gain of € 3,744 K for Eurofins Scientific SE.
  - Any other potential USD loan to any US Group affiliate. This hedge agreement is not used as at 31.12.2011.
- Eurofins Scientific SE has counter-guaranteed the Swedish insurance entitiy "Försäkringsbolaget Pensionsgaranti" for all amounts due that this entity should have to pay to the actual and past employees of the Swedish companies Eurofins Food & Agro Sweden AB, Eurofins Environment Sweden AB and Eurofins National Service Centre Sweden AB, indirect subsidiaries of Eurofins Scientific SE, for their pension obligation to pay to these employees, for a maximum amount of € 8,250 K. In the scope of the acquisition of a laboratory in Sweden, Eurofins Scientific SE has also counter-guaranteed the Swedish insurance entitiy "Försäkringsbolaget Pensionsgaranti" for all amounts due that this entity should have to pay to the actual and past employees of this company for an amount of € 440 K.
- Eurofins Scientific SE has counter-guaranteed the NordLB bank for all amounts related to a loan due by the company Eurofins Dr. Specht Laboratorien GmbH for a maximum amount of € 35,000 K.

Detail of guarantees given related to acquisition

The guarantees provided in the preceding table and detailed below are also for the amounts already accounted for in the line “Account payable on investment” (Note 3.14) of the Eurofins balance sheet.

- In the scope of the acquisition of a laboratory in Germany by Eurofins Ventures BV, the company Eurofins Scientific SE has guaranteed the payment in full of any and all amounts payable by Eurofins Ventures BV that might not be paid by Eurofins Ventures BV in favour of the vendors of this Laboratory (corresponding to 35% of the share capital).
- In the scope of the acquisition of the companies Operon GmbH and Operon Inc by Eurofins Genomics BV, the company Eurofins Ventures BV has guaranteed the payment in full of any and all amounts payable by Eurofins Genomics BV that might not be paid by Eurofins Genomics BV in favour of the vendors (Operon Holdings Inc and Qiagen North American Holdings Inc) (corresponding to 8% of the share capital).
- In the scope of the acquisition of a French company by Eurofins Food Chemistry Testing France Holding SAS, this company has concluded a building preliminary sales agreement with the former shareholders for a total amount of € 300 k, maturity in 2014.
- In the scope of the acquisition of a French company by Eurofins Hygiène Alimentaire France Holding SAS, this company has concluded a building preliminary sales agreement with the former shareholders for a total amount of € 300 k, maturity in 2014.
- 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.
- In an agreement signed between the companies Eurofins Genomics BV and MWG Biotech AG, a guarantee was granted by Eurofins Scientific SE to the benefit of Eurofins Genomics BV, guaranteeing that Eurofins Genomics BV will at all times be in a position to timely meet its obligation towards the MWG Biotech AG minority interests under the “control and profit transfer” ie 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
- In the scope of a € 1,200 K grant contract obtained in 2008 by Microchem Laboratories Ltd (Irish branch of Lancaster acquired 2011 April 5th), the company Eurofins Scientific SE was asked to continue the former guarantee agreement previously held by the ex shareholder of Microchem Laboratories. Eurofins Scientific SE consequently gave its guarantee that it will be liable in case of Microchem Laboratories Ltd failure to meet its contingencies related to this grant.

Other commitments given

To the Group’s knowledge, no other significant off-balance sheet commitments exist.

The Group has not set up factoring or securitization transactions.

Detail of guarantees received

None.

Individual training allocation

Under French law, each employee is given 20 hours per year as an individual training allocation. The number of hours not used at the end of 2011 represents more than 175,000 hours. The number of hours used during the period is not significant.

4.3 Exposure to interest rate risk and currency

€Thousand	2011	2010
Derivative financial assets	0	0
Derivative financial liabilities	-12,636	-3,420
Total net	-12,636	-3,420

Exposure to interest rate risk

In order to hedge the Group's exposure to interest rates fluctuations particularly related to the 2006 and 2010 OBSAAR bonds and part of the 2011 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.

Principal amount hedged with a fixed rate as of December 31, 2011 is €66,6m with a fixed rate of 3.8075%, €120m with a compounded average fixed rate of 1.4148% and €67.5m with a variable rate of 1.9%.

In addition, the Group concluded interest rate hedging contracts with deferred effective date for the period December 2011 to June 2017 for a total nominal amount comprised between €10m and €254m.

The fair value at 31 December 2011 of this swap is estimated at a liability of €12,636 K. The counterpart has been accounted for in equity.

The financial instruments change over the year has been accounted for in equity as a negative amount of €9,216 K.

Interest Rate *	Notional principal value	Fair value (in €Thousand) Opening	Change	Closing
3.8075%	66,660	-3,104	1,771	-1,333
1.4148%	120,000	-316	-7,941	-8,257
1.9000%	67,500	0	-3,046	-3,046

* interest rate applicable at the end of December 2011.

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 of the period.

The impact on the valuation of the financial instruments of a shift of +/- 1% in the yield curve would be close to + or - €10m on the Group's equity.

The Group's net exposure to interest rate risk taking into account the above hedging transactions is presented below:

	2011	2010
Borrowings at a fixed interest rate	73%	78%
Borrowings at a floating interest rate	27%	22%

Given the breakdown between fixed rate and floating rate assets and liabilities at December 31, 2011, a 1% increase or decrease in interest rates would have a full-year impact of €1,144 K on results before income taxes.

€Thousand	Rate	Up to 1 year	1-5 years	Over 5 years	Total
Assets	Fixed				
	Variable	90,0			90,0
Borrowing	Fixed	8,9	16,2	1,1	26,3
	Variable	4,4	24,3	9,0	29,8
Schuldschein	Fixed		50,5	51,0	101,5
	Variable		57,5	10,0	67,5
OBSAAR	Fixed	14,8	132,1	39,6	186,6
	Variable			17,0	17,0
Exposition	**Fixed**	**23,7**	**198,9**	**91,8**	**314,5**
Before hedge	**Variable**	**94,5**	**81,8**	**27,9**	**204,3**
Hedge	Fixed	14,8	132,1	39,6	186,6
	Variable		57,5	10,0	67,5
Exposition	**Fixed**	**8,9**	**66,7**	**52,1**	**127,8**
after hedge	**Variable**	**94,5**	**24,3**	**17,9**	**136,8**

Exposure to currency risk

At December 31, 2011, the exposure to currency risk breaks down as follows:

Currency	Assets	Liabilities	Commitments in foreign currencies	Net position before hedge	hedge	Net position after hedge
DKK	82,042	50,706		31,336		31,336
SEK	75,515	52,931	8,650	13,934		13,934
NOK	31,926	30,226		1,700		1,700
USD	461,363	149,248		312,115		312,115
GBP	57,703	35,596	4,800	17,307		17,307
Other	44,157	26,691		17,466		17,466
Total	752,706	345,398	13,450	393,858		393,858

A 1% increase or decrease in exchange rates would have an impact of € 3,940 K on the Group's equity and an impact on the Group's EBITAS of €434K.

4.4 Dilutive potential instruments

Stock option plans
Stock options are granted to directors and to employees. Movements in the number of share options outstanding are as follows:

Thousand of share options	2011	2010
At beginning of the year	954	930
Options granted *	169	126
Options exercised	-53	-85
Options expired	-33	-17
At end of the year	1,037	954

* under conditions (strike price, date of exercise etc) of new option plans.

As at 31st December 2011, 1,037,164 stock options could still be exercised. Further details can be found in the "Management Report".

BSAAR (Notes 1.18 and 3.11)

Existing BSAR or BSAAR are linked to:

- 2006 OBSAR Bonds (Note 3.11), of which 272,603 BSAR can still be exercised at a price of € 55 per share for 1 Eurofins share. Since its issue, 127 warrants have been already exercised.
- 2010 OBSAAR Bonds, of which 295,990 BSAAR can still be exercised, 2 BSAAR giving the rights to subscribe or purchase 1 Eurofins share at a price of € 40 per share

Partial and optional acquisition price payments in Eurofins shares (Note 1.22)
At December 31, 2011, the overall number of Eurofins shares potentially deliverable is estimated at 0 shares.

Detail of the weighted average shares outstanding (diluted)

In Thousand	2011	2010
Weighted average shares outstanding (basic)	14,324	14,224
Weighted average stock options	1,012	954
Number of potential shares by BSAR/ BSAAR exercise	421	347
Partial and optional acquisition price payments in Eurofins shares	0	12
Stock options with exercise price above the average share price	-74	-331
Number of potential shares by BSAR/ BSAAR exercise with exercise price above the average share price	-0	-347
Weighted average shares outstanding (diluted)	15,683	14,859

4.5 Net profit per share

	Net profit	Weighted average shares outstanding	Net profit per share
Basic			
Total	55,407	14,324	3.87
Hybrid capital investors	11,589[1]		0.81
Equity holders	43,818	14,324	3.06
Diluted			
Total	55,407	15,683	3.53
Hybrid capital investors	11,589[1]		0.74
Equity holders	43,818	15,683	2.79

[1] Note 3.12

4.6 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 services are covered by business-specific insurance. Specifically, the Group contests a significant liability demand in the United States and in France, which is 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).

4.7 Post-closing events

Proposed corporate seat transfer of Eurofins Scientific SE to Luxemburg approved at the Extraordinary General Meeting, the 11 January 2012, with a majority vote of nearly 85%.
The transfer was approved based on the condition precedent that the minority shareholders who voted against the resolution at the EGM, and therefore have a right to object, do not require the redemption of their shares in such proportions that it would lead the Board of Administration to have to abandon the project of transferring the registered office in Luxemburg, given the available liquidities and the potentially unreasonable impact of these redemption requests on the financial structure of the Group.

4.8 Related-party transactions

The Group is controlled by the company Analytical Bioventures SCA, holding of the family Martin. This company owns 45.35% of the company shares and 61.69% of the voting rights.

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in the notes.

Transactions with Affiliates or with companies owning shares in Eurofins Group as Analytical Bioventures SCA or with companies in which some members of the Company's top management have significant influence as "International Assets Finance Sarl", a subsidiary of Analytical Bioventures SCA:

€ Million	2011	2010
Purchased of goods	0.0	0.0
Sale of goods	0.0	0.0
Support management services, net provided to the related party	0.0	0.0
Support management services, net provided to Eurofins	0.0	0.0
Receivables to related party	4.9	3.4
Payables to related party	0.3	0.4
Loans to related party	0.0	0.0
Rent	7.4	6.4

The future aggregate minimum lease payments, non cancellable (operating leases), net (discounted) to Related-party represent an amount of € 60.4m at 31st December 2011.

Key management compensation of Executive and Non-Executive Directors and reference shareholders

€ Million	2011	2010
Salaries and other short-term employees benefits	1.3	1.0
Post-employment benefits	0.1	0.1
Share-based payments	0.0	0.0
Total	1.4	1.1

4.9 Financial instruments by category

€Thousand Assets	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available for sale	Total
Available for sale financial assets	0	0	0	0	0
Derivative financial instruments	0	0	0	0	0
Financial assets, trade and other receivables – non current	7,881	0	0	0	7,881
Trade and other receivables excluding prepayments - current	236,377	0	0	0	236,377
Financial assets at fair value through profit and loss	0	0	0	0	0
Marketable securities (Note 3.9)	0	90,009	0	0	90,009
Cash and cash equivalents	89,481	0	0	0	89,481

During the period the Group has not reclassified any financial assets

€Thousand Liabilities	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
Borrowings (excluding finance lease liabilities)	0	0	221,655	221,655
OBSAAR	0	0	203,722	203,722
Finance lease liabilities	0	0	3,558	3,558
Account payable on investment	0	0	22,481	22,481
Derivative financial instruments (Note 4.3)	0	12,636	0	12,636
Trade accounts payable, other current liabilities and advances payments received and deferred revenues	0	0	212,703	212,703

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);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2 - Derivative financial instruments).

XI. Auditors' Report

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Translated from French to English)

(For the year ended 31st December 2011)

To the shareholders
EUROFINS SCIENTIFIC SE
Rue Pierre Adolphe Bobierre
Boîte postale 42301

44323 NANTES CEDEX 3

This is a free translation into English of the statutory auditors' report on the (consolidated) financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the (consolidated) financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the (consolidated) financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31st December 2011, on:

- the audit of the accompanying consolidated financial statements of Eurofins Scientific SE ;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by your board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as 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.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting principles

We have reviewed the accounting treatment applied by the company on the purchase of minority interests on the basis that the subject is not addressed specifically by International Financial Reporting Standards as adopted by the European Union and we confirm that note 1.3 to the financial statements provides adequate information.

Accounting estimate

The Group applies systematically at year-end an impairment test on goodwill and other assets with indefinite useful life and assess whether there exist triggering events suggesting impairment of assets in the long run, following the methodology detailed in note 1.9 to the financial statements. We have reviewed the methodology applied in this impairment test as well as the cash flow projections used and assumptions made and we have validated that notes 1.4 and 1.9 provide the relevant information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

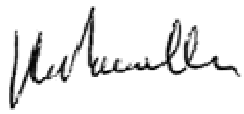
Rennes and Nantes, 22th February 2012

The auditors,

PricewaterhouseCoopers Audit

Yves Pelle

HLP Audit



Jacques Le Pomellec

XII. Supplemental Information – Eurofins Share Capital

Eurofins Scientific Shares

General Information about the Company Issuing Shares

1. Name

Eurofins Scientific S.E.

2. Registered office

Site de la Géraudière
Rue Pierre Adolphe Bobierre
44300 Nantes (France)

The Eurofins Group plans to transfer the registered office of Eurofins Scientific SE at the following address: 10A, rue Henri M. Schnadt, L-2530 Luxembourg.

The proposal to transfer the registered office of Eurofins Scientific SE from France to Luxembourg has been approved by shareholders at the Extraordinary General Meeting (EGM) held on January 11, 2012, with a majority vote of nearly 85%.

3. Legal form

Société Européenne ("Societas Europaea") with a Board of Directors governed by French law (specifically the French Companies Act of July 24, 1966).

4. Term of the Company

The Company was formed for a period of 99 years, with effect from June 5, 1989, its date of incorporation.

5. Company Purpose

The purpose of the Company in France and in any other country:

- 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 filing of any patents.
- 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 operation of any and all companies in connection with the performance of the above activities and the participation by the company in all commercial transactions which could be linked to the above company objects, notably by creating new companies, purchasing or sale of securities or company rights or other.
- The participation by the company by all means, directly or indirectly, in all transactions which could be related to its object by creating new companies, subscription or purchase or sale of securities or company rights or other, by merging or other, by creating, renting, acquiring any business value or establishment or patents for these activities.

And more generally, 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 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 Nantes B 350 807 947

APE code: 7112B

8. Fiscal year

From January 1st to December 31st each year.

9. Statutory appropriation of earnings

If the annual accounts approved by the Shareholders' Meeting show a distributable profit as defined by law, 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.

The Annual Shareholders' Meeting may grant to each shareholder, in lieu of all or part of dividends to be distributed or of advances of dividends, an option between payment of dividends or advances on dividends in cash or in shares.

10. Annual General Meetings

Summons, 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 summons.

Decisions are taken by the Ordinary, Extraordinary or Special 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 of the shareholder in a share account held by the Company or, of a certificate by a duly authorised intermediary or entity, evidencing the unavailability of the shares recorded in their accounts until the date of the meeting, at least five days prior to the date of the meeting.

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

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

The Annual 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

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 (3) years, in the name of the same shareholder.

In case of capital increase by incorporation of reserves, profits, stock issue premiums, this double voting right shall accrue to, as of its issuance, new shares allotted to a shareholder free of charge by reason of prior shares for which he is already entitled to this right.

Shareholders of the Company who are not residing in French territory 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 French territory 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 by-laws of the Company 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 article L 228-1 of the French "*Code de commerce*" 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.

Statutory disclosure thresholds

Any individual or legal entity, acting alone or in concert, holding or ceasing to hold, directly or indirectly, 2.5 % or more of the registered capital, or of the voting rights or of securities giving a deferred access to the Company's capital, or any multiple of this percentage, shall notify the Company, within 5 trading days at the Stock Exchange commencing on the date this threshold has been exceeded or fallen below, by registered letter with acknowledgment receipt, addressed to the registered office of the Company, and indicating the total number of shares, voting rights or securities giving a deferred access to the capital, held directly or indirectly, alone or in concert.

Failure to notify the Company in accordance with the aforementioned conditions, the shares exceeding the undeclared threshold shall be deprived of their voting rights in accordance with the conditions set forth by law at each Shareholders' Meeting held within a period of two years as from the date of clearance of said notification, and upon request of one or more shareholders holding at least 2.5 % of the registered capital. This request shall be recorded in the minutes of the Shareholders' Meeting.

12. Purchase of own shares

Approval was first granted for this action during the Annual General Meeting of 10 September 1997 and renewed by the Annual General Meeting of 5 May 2000, 10 May 2001, 23 April 2003, 3 June 2004, 7 April 2005, 18 May 2006, 2 May 2007, 27 May 2008, 13 May 2009, 14 May 2010 and lastly on 1st of June 2011.

In accordance with articles L 225-209 and following the French *Code de Commerce,* European

Directive n°2273/2003 of 22 December 2003, articles L 451-3 of the French Code Monétaire et Financier and articles 241-1 to 241-6 of the AMF General Rules, and pursuant to article 223-34 of the AMF instruction 2005-06 of 22 February 2005 and AMF decisions of 22 March 2005 and 1st October 2008 (modified by decision of 21 March 2011), the Company's Board of Directors requested the Annual General Meeting of 14 May 2010 to grant the authorisation, for a period of 18 months, 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 Assembly 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 Company's proposal to purchase its own shares is limited to a maximum amount of EUR 142,898,500 and the maximum number of shares authorised to be purchased and/or cancelled is limited to 10% of the total number of shares issued at this date with a maximum buying price of EUR 100.00 per share.

As at 31 December 2011, the Company held no shares under this programme.

The Board of Directors plans to submit to the approval of the Annual General Meeting of 29 March 2012, the renewal of a buy-back programme along similar conditions, in accordance with the latest regulations specified by the European Directive enforced on 13 October 2004, the French Code de Commerce and Code Monétaire et Financier and by the Stock Exchange authorities (*Autorité des Marchés Financiers*) in France.

General Information about the Share Capital

1. Share capital

On 31 December 2011, the registered share capital amounts to EUR 1,435,522.90 divided into 14,355,229 fully paid-up equivalent shares with a nominal value of €0.10 each.

During 2011 the share capital was :

- increased by EUR 1,244 by the creation of 12 440 shares issued according to the decision of the Extraordinary General Meeting of 1st of June 2011 and Board of Directors of 6 June and 16 June 2011;

- increased by EUR 5,293.20 by the creation of 52 932 shares issued as a result of the exercising of stock options by employees at a rate of 52 890 new shares, and by the conversion of warrants into 42 new shares.

2. Potential increases in share capital

2.1 Stock options

The Annual General Meeting (AGM) of 10 September 1997 authorised the Board of Directors, subject to the condition of admission to a quotation on the Nouveau Marché of the Paris Bourse, to grant stock options. The maximum number of options authorised to be granted was initially 50,000 giving the right to subscribe for a maximum number of shares of 50,000 initially (500,000 after stock split of 1 to 10 approved in 2000), which represents a maximum increase in share capital of EUR 50,000.

The Annual General Meeting of 5 May 2000 authorised the Board of Directors to grant further options. The maximum number of options authorised to be granted is 100,000 giving the right to subscribe for a maximum number of shares of 100,000, which represents a maximum increase in share capital of EUR 10,000.

Additionally, the Annual General Meeting of 22 May 2002 authorised the Board of Directors to grant further options. The maximum number of options authorised to be granted is 300,000 giving the right to subscribe for a maximum number of shares of 300,000, which represents a maximum increase in share capital of EUR 30,000.

Since then the Annual General Meeting of shareholders has authorised the Board of Directors to grant further options several times:

On 7 April 2005, a maximum number of options authorised to be granted was 500,000, giving the right to subscribe for a maximum number of 500,000 new shares, which represents a maximum increase in share capital of EUR 50,000.

On 2 May 2007, the maximum number of options authorised to be granted was 200,000 giving the right to subscribe for a maximum number of 200,000 new shares, which represents a maximum increase in share capital of EUR 20,000.

On 27 May 2008, a maximum number of options authorised to be granted was 100,000 giving the right to subscribe for a maximum number of 100,000 new shares, which represents a maximum increase in share capital of EUR 10,000.

On 13 May 2009, a maximum number of options authorised to be granted was 200,000 giving the right to subscribe for a maximum number of 200,000 new shares, which represents a maximum increase in share capital of EUR 20,000.

On 14 May 2010, the maximum number of options authorised to be granted was 200,000 giving the right to subscribe for a maximum number of 200,000 new shares, which represents a maximum increase in share capital of EUR 20,000.

In each case the authorisation that was granted to the Board of Directors to issue stock options was valid for 38 months, it being specified that the total life span covered by each stock option plan should not exceed 10 years.

To date the Company has granted 1,839,370 options, of which 769,156 have been exercised and 1,037,164 are still valid, as shown in the tables

below. In 2011 248,100 options were granted by the Board of Directors. Not all of the options granted 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 2011, 52,890 options were exercised.

The details of the stock option plans are as follows:

Stock option plans	**1st instalment**	**2nd instalment**	**3rd instalment**	**4th instalment**	**5th instalment**	**6th instalment**	**7th instalment**	**8th instalment**
Date of AGM	10/09/1997	10/09/1997	10/09/1997	10/09/1997	10/09/1997	10/09/1997	10/09/1997	10/09/1997 05/05/2000
Date of Board of Directors' meeting	20/10/1997	02/03/1998	02/03/1998	16/10/1998	16/10/1998	21/05/1999	21/05/1999	21/08/2000
Number of options initially awarded	134 000	50 000	110 000	20 000	62 000	28 000	45 000	22 700
incl. options granted to members of the Board of Directors	25 000	15 000						
First stock option exercise date	20/10/2002	02/03/2003	02/03/2003	16/10/2003	16/10/2003	21/05/2004	21/05/2004	21/08/2005
Final stock option exercise date	19/10/2007	01/03/2008	01/03/2008	15/10/2008	15/10/2008	20/05/2009	20/05/2009	20/08/2010
Subscription price in €	1.83	2.85	2.40	5.82	4.90	3.98	3.35	14.94
Number of options exercised as of 31/12/2011	134 000	45 000	65 000	15 000	60 000	25 000	15 000	20 450
Number of options lost and/or re-awarded under new conditions	0	5 000	45 000	5 000	2 000	3 000	30 000	2 250
Number of valid options *	0	0	0	0	0	0	0	0

Stock option plans	**9th instalment**	**10th instalment**	**11th instalment**	**12th instalment**	**13th instalment**	**14th instalment**	**15th instalment**	**16th instalment**
Date of AGM	10/09/1997 05/05/2000	10/09/1997 05/05/2000	10/09/1997 05/05/2000	10/09/1997 05/05/2000	10/09/1997 05/05/2000	10/09/1997 05/05/2000	10/09/1997 05/05/2000 22/05/2002	10/09/1997 05/05/2000 22/05/2002
Date of Board of Directors' meeting	21/08/2000	27/07/2001	24/08/2001	24/08/2001	21/02/2002	27/08/2002	10/10/2002	18/12/2003
Number of options initially awarded	80 650	63 600	8 000	25 500	10 500	59 800	35 000	186 400
incl. options granted to members of the Board of Directors				10 000			35 000	4 000
First stock option exercise date	21/08/2005	27/07/2006	24/08/2006	24/08/2004	21/02/2007	27/08/2007	10/10/2005	18/12/2007
Final stock option exercise date	20/08/2010	26/07/2011	23/08/2011	23/08/2005	20/02/2012	26/08/2012	09/10/2006	17/12/2013
Subscription price in €	12.58	13.05	13.05	13.05	12.72	9.00	8.00	9.80
Number of options exercised as of 31/12/2011	39 683	23 150	2 000	25 500	10 500	33 400	35 000	103 453
Number of options lost and/or reawarded under new conditions	40 967	40 450	6 000	0	0	21 650	0	40 125
Number of valid options *	0	0	0	0	0	4 750	0	42 822

Stock option plans	17th instalment	18th instalment	19th instalment	20th instalment	21st instalment	22nd instalment	23rd instalment	24th instalment
Date of AGM	10/09/1997 05/05/2000 22/05/2002	10/09/1997 05/05/2000 22/05/2002	10/09/1997 05/05/2000 22/05/2002	10/09/1997 05/05/2000 22/05/2002	10/09/1997 05/05/2000 22/05/2002 07/04/2005	10/09/1997 05/05/2000 22/05/2002 07/04/2005	10/09/1997 05/05/2000 22/05/2002 07/04/2005	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007
Date of Board of Directors' meeting	18/12/2003	01/02/2005	01/02/2005	01/02/2005	29/08/2005	10/01/2006	18/09/2006	20/07/2007
Number of options initially awarded	29 000	26 650	78 400	39 500	68 500	6 000	174 807	150 330
incl. options granted to members of the Board of Directors	0	0	5 000	0	0	0	2 500	1 000
First stock option exercise date	18/12/2006	01/02/2009	01/02/2008	15/12/2012	29/08/2009	10/01/2010	18/09/2010	20/07/2011
Final stock option exercise date	17/12/2013	31/01/2015	31/01/2015	31/01/2015	28/08/2015	09/01/2016	17/09/2016	19/07/2017
Subscription price in €	7.84	18.77	18.77	18.77	27.80	37.97	50.00	66.00
Number of options exercised as of 31/12/2011	21 000	8 100	35 070	6 500	31 500	1 000	13 200	250
Number of options lost and/or reawarded under new conditions	8 000	2 000	19 730	12 000	18 000	1 000	73 940	75 780
Number of valid options *	0	16 550	23 600	21 000	19 000	4 000	87 667	74 300

Stock option plans	25th instalment	26th instalment	27th instalment	28th instalment	29th instalment	30th instalment	31st instalment
Date of AGM	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008 13/05/2009	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008 13/05/2009 14/05/2010	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008 13/05/2009 14/05/2010
Date of Board of Directors' meeting	21/02/2008	17/07/2008	18/12/2008	05/01/2009	10/11/2009	31/08/2010	05/10/2010
Number of options initially awarded	12 000	168 950	34 010	116 700	153 400	164 400	12 450
incl. options granted to members of the Board of Directors	0	0	0	0	0	0	0
First stock option exercise date	21/02/2012	17/07/2012	18/12/2012	05/01/2013	10/11/2013	31/08/2014	05/10/2014
Final stock option exercise date	20/02/2018	16/07/2018	17/12/2018	04/01/2019	09/11/2019	30/08/2020	04/10/2020
Subscription price in €	69.19	51.87	31.62	32.60	31.88	36.62	37.06
Number of options exercised as of 31/12/2011	0	200	0	0	200	0	0
Number of options lost and/or reawarded under new conditions	12 000	59 660	15 650	25 800	30 475	14 000	0
Number of valid options *	0	109 090	18 360	90 900	122 725	150 400	12 450

Stock option plans	32nd instalment	33th instalment
Date of AGM	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008 13/05/2009 14/05/2010	10/09/1997 05/05/2000 22/05/2002 07/04/2005 02/05/2007 27/05/2008 13/05/2009 14/05/2010
Date of Board of Directors' meeting	23/02/2011	10/10/2011
Number of options initially awarded	89 750	158 350
incl. options granted to members of the Board of Directors	4 000	1 500
First stock option exercise date	23/02/2015	10/10/2015
Final stock option exercise date	22/02/2021	09/10/2021
Subscription price in €	50,13	57,83
Number of options exercised as of 31/12/2011	0	0
Number of options lost and/or reawarded under new conditions	0	8 550
Number of valid options *	89 750	149 800

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

2.2 BSAR and BSAAR warrants

In March 2006, the Company issued OBSAR bonds (French acronym for "*Obligations à bons de souscription et/ou d'acquisition d'actions remboursables*") for a nominal amount of EUR 120,001,200. The BSAR warrants were admitted to trading on Euronext Paris since 16 March 2006 under the ISIN code FR0010292755.

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 will be admitted to trading on Euronext Paris from 30 June 2012 under the ISIN code FR0010891796.

Further details can be found in note 1.18 to the accounts

2.3 Perpetual Securities ("Hybrid Capital")

The Company issued Deeply Subordinated bonds in May 2007 for a nominal amount of EUR 100,000,000. The structure of the hybrid instrument ensures that it is recognized as a component of equity in accordance with IAS 32. The subordination provisions of the bonds are governed by the provisions of Article L.228-97 of the French *Code de Commerce*.

Further details can be found in note 1.19 to the accounts.

3. Authorised and non-issued capital

The Annual General Meeting of 1st of June 2011 authorised the Board of Directors to issue, among single or separate issues, in France as to foreign markets, with or without preferential subscription rights, securities giving immediate or deferred access to the company's capital, under the following conditions:

- The nominal value of the new shares issued shall not exceed EUR 800,000 or the equivalent exchange value in another currency;
- The nominal value of other securities issued shall not exceed EUR 500m or the equivalent exchange value in another currency.

The Annual General Meeting of 1st of June 2011 has also authorised the Board of Directors to issue new shares up to 10% of the number of existing shares, with the objective to settle the purchase price of securities giving immediate or deferred access to the share capital of an acquired company, with the exception of assets of any other kind.

These authorisations were delivered to the Board of Directors for a twenty-six month period from the date of the relevant Annual General Meeting.

According to the article L. 225-129-3 of the French "*Code de Commerce*", the authorisations for issuing capital increases delivered to the Board of Directors under the above-mentioned resolutions are in principle suspended in case and during a takeover bid on or an exchange of the company's shares, except if the capital increase belongs to the normal course of business and if its objective is not to make the bid fail.

The Board of Directors plans to submit to the Annual General Meeting of shareholders of 29 March 2012 the renewal of the authorisations described here above along similar terms and for similar or higher values.

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 French or foreign Stock Exchange to be determined by the Chairman.

4. Development of the share capital and share capital structure

The information on the capital structure of Eurofins Scientific is summarised in the following two tables:

DATE	TRANSACTION DESCRIPTION	CHANGES IN SHARE CAPITAL (French Francs, FF)		RESULTING SHARE CAPITAL (FF)	CUMULATIVE NUMBER OF SHARES	NOMINAL SHARE VALUE
		NOMINAL	PREMIUM			
Jun 1989	incorporation of the company	50,000		50,000	500	FF 100
Feb 1994	cash increase	200,500	80,200	250,500	2505	FF 100
Jun 1994	- non-cash increases	1,119,000	5,595,000	1.369,500	13,695	FF 100
	- issue of capital reserved for OUEST CROISSANCE	62,400	312,000	1,431,900	14,319	
	- capitalisation of share premium	5,727,600		7,159,500	71,595	
Dec 1995	- purchase of own shares by the company and their cancellation	624,000		6,535,500	65,355	FF 100
Sep 1997	- share split	653,550		6,535,500	653,550	FF 10
	- capitalisation			7,189,050	718,905	
Oct 1997	Share issue: listing on the Nouveau Marché	2,750,000	30,250,000	9,939,050	993,905	FF 10
Jul 1998	Increase in share capital	993,900	38,762,100	10,932,950	1,093,295	FF 10
Oct 1999	Increase in share capital	1,093,290	44,804,388	12,026,240	1,202,624	FF 10

DATE	TRANSACTION DESCRIPTION	CHANGES IN SHARE CAPITAL (€)		RESULTING SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL SHARE VALUE
		NOMINAL	PREMIUM			
May 2000	- Conversion of the share capital into euros and reduction of the capital			1,202,624	1,202,624	€1
	- Stock split one in ten			1,202,624	12,026,240	€0.10
Oct 2000	Increase in share capital	110,000	38,390,000	1,312,624	13,126,240	€0.10
2001	Capital increase resulting from options being exercised	3,000	69,000	1,315,624	13,156,240	€0.10
2002	Capital increase resulting from options being exercised	5,200	107,047	1,320,824	13,208,240	€0.10
2003	Capital increase resulting from options being exercised	3,010	62,838	1,323,834	13,238,340	€0.10
Jun 2004	Reserved capital increase	34,761.60	4,675,435	1,358,595.60	13,585,956	€0.10
2004	Capital increase resulting from options being exercised	3,900	100,268	1,362,495.60	13,624,956	€0.10
2005	Capital increase resulting from options being exercised	12,260	800,202	1,374,755.60	13,747,556	€0.10
2006	Capital increase resulting from options and BSAR warrants being exercised	13,412	934,948	1,388,167.60	13,881,676	€0.10
2007	Capital increase resulting from options and BSAR warrants being exercised	9,361.90	646,968	1,397,529.50	13,975,295	€0.10
Jun 2008	Reserved capital increase	9,895.00	6,331,011.50	1,407,424.50	14,074,245	€0.10
2008	Capital increase resulting from options and BSAR warrants being exercised	8,707.90	1,001,587.24	1,416,132.40	14,161,324	€0.10
2009	Capital increase resulting from options and BSAR warrants being exercised	4,320.00	423,135.00	1,420,452.40	14,204,524	€0.10
Jul 2010	Reserved capital increase	70.00	23,464.00	1,420,522.40	14,205,224	€0.10
2010	Capital increase resulting from options and BSAAR warrants being exercised	8,463.30	1,425,670.60	1,428,985.70	14,289,857	€0.10
Jun 2011	Reserved capital increase	1,244	852,388.80	1,430,229.70	14,302,297	€0.10
2011	Capital increase resulting from options and BSAR warrants being exercised	5,293.20	1,259,937.80	1,435,522.90	14,355,229	€0.10

5. Shareholders and voting rights as of December 31, 2011

SHAREHOLDERS	NUMBER OF SHARES	% INTEREST	% VOTING RIGHTS
Dr. Gilles G. MARTIN and his family	2	0.0	0.0
Dr. Yves-Loïc MARTIN	14,546	0.1	0.1
Analytical Bioventures SCA	6,509,570	45.4	61.7
Martin Family (subtotal)	6,524,118	45.5	61.8
Treasury shares	0	0.0	0.0
Free Float	7,831,111	54.5	38.2
TOTAL	14,355,229	100.0	100.00

In the last years, changes in share capital have been as follows:

- Until 24 October 1997, virtually all the share capital was held by the Company's founders;
- The introduction on the Nouveau Marché resulted in an increase in the share capital by issuing 275,000 new shares on the stock market;
- In July 1998, the share capital rose again as a result of an issue of 99,390 new shares to the market;
- In October 1999, a further share issue led to 109,329 new shares being admitted to the market;
- In May 2000 a share split 1 to 10 was performed;
- In October 2000, a further share issue added 1,100,000 new shares to the market;

At the end of January 2012, Ameriprise Financial notified Eurofins and the AMF that it breached the 7.5% shareholding threshold as of 24 January 2012. At the end of February 2012, the French Caisse des Dépôts et Consignations notified Eurofins and the AMF that it broke below the 2.5% shareholding threshold as of 29 February 2012.

The Company is not aware of any shareholder other than those stated above with an interest in excess of 5% of the share capital or voting rights as at 31 December 2011.

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

Charges attached to shares

None

Shareholder purchase/sale agreement

A new shareholder agreement regarding the Martin Family shareholding in Analytical Bioventures SCA was concluded on the 5th September 2008, which cancels and replaces the preceding one and aims in principal to renew the commitment towards the present management of EUROFINS SCIENTIFIC 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).

Directors' commitments to maintain share-holdings

By law and as noted in the Corporate Governance section, each director must hold at least one share in the Company. There are no further commitments other than as stated above.

7. Dividends for the last three fiscal years

A dividend payment was again decided by the Annual General Meeting of shareholders on 1st of June 2011 for an amount of EUR 0.20 per share and paid by the Company in June 2011.

According to French law, dividends unclaimed for a period in excess of 5 years from the issue of the payment are cancelled. Cancelled dividends are paid to the French government after this five-year regulatory limitation.

8. Share market

During the 18 months prior to 31 December 2011, the Eurofins share market price developed as follows:

NYSE Euronext, Paris

	Month	Average closing price (€)	High (€)	Low (€)	Average daily volume ('000)	Market cap (€m)
2010	**July**	33.80	40.13	27.96	35.0	483
	August	36.68	37.68	35.40	13.6	524
	September	36.69	37.85	35.02	12.0	524
	October	43.54	45.00	37.80	25.6	622
	November	49.05	53.53	42.80	25.2	701
	December	54.43	56.13	51.46	16.4	778
2011	**January**	54.16	57.80	47.18	16.4	777
	February	51.16	60.22	46.70	38.0	734
	March	59.72	62.36	55.10	24.2	857
	April	67.52	73.65	62.29	28.6	969
	May	69.02	76.90	64.50	16.3	991
	June	62.74	67.50	57.90	15.5	901
	July	63.96	68.99	59.94	9.3	918
	August	53.76	64.84	46.55	18.5	772
	September	59.18	62.48	55.60	14.0	850
	October	61.55	66.90	50.50	16.8	884
	November	61.86	67.78	55.53	12.5	888
	December	56.93	62.24	53.10	16.7	817

Group Executive Committee

Dr. Gilles G. Martin

Chairman 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 over 150 laboratories employing more than 10,000 people in 30 countries. Gilles Martin is an international expert in his field and is committed to innovation and economic development. 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.

Dr. Matthias-Wilbur Weber

Group Executive Vice President, Asia Pacific/Global Product Testing. Dr. Weber was previously CFO of the Eurofins Scientific Group for 7 years prior to taking on an operational function. Dr. Weber studied Business Administration in Germany and England, and received a PhD from the Technical University of Munich, where his thesis concerned the application of portfolio and option pricing theory to diversification and investment decisions. After his studies, he worked internationally as a Project Manager for Coopers & Lybrand and for Deutsche Bank. Prior to joining Eurofins in 2002, he was a Vice President for an American consulting firm.

Mr. Luc Leroy

Group Executive Vice President Pharmaceutical Services. He obtained a degree in Applied Economics from the Catholic University of Leuven in Belgium and initially worked in banking at ING and investment banking at GIMV/GIMVINDUS. Since then he has worked at SGS in various positions including Managing Director of the Benelux and France Lifesciences operations and most recently as their Managing Director for the UK.

Mr. Dirk Bontridder

Group Executive Vice President Food Testing Northern Europe. After obtaining a Masters Degree in Computer Science from the University of Brussels, Mr. Bontridder started his career first at Alcatel and later as an IT manager with Getronics and Software AG. He then gained an executive MBA from the Vlerick Management School and joined McKinsey & Company as a management consultant serving customers in banking, high-tech and transport & logistics. Prior to joining Eurofins he was the General Manager of Port of Singapore Authorities (PSA) – Hesse-Noord Natie, a large diversified stevedore and logistic player in the Port of Antwerp & Zeebrugge.

Dr. Markus Brandmeier

Group Executive Vice President Food, Testing CEE and Latin America. Dr. Brandmeier joined the Group in 2005 with extensive management experience in the Food and Retail industries, having worked beforehand at the Tengelmann Group. He held a variety of senior roles during his 9 years there, notably as Managing Director of Group subsidiaries specialized in food production, sales & distribution and quality management. He has a degree in Economics and a PhD in Industrial Science from the University of Karlsruhe. Initially in charge of the Eurofins' food testing laboratories in Germany, he has since taken on additional responsibility for Austria, Switzerland, Eastern Europe and Latin America.

Eurofins Scientific S.E.
10A, Rue Henri M. Schnadt,
L-2530 Luxembourg

www.eurofins.com