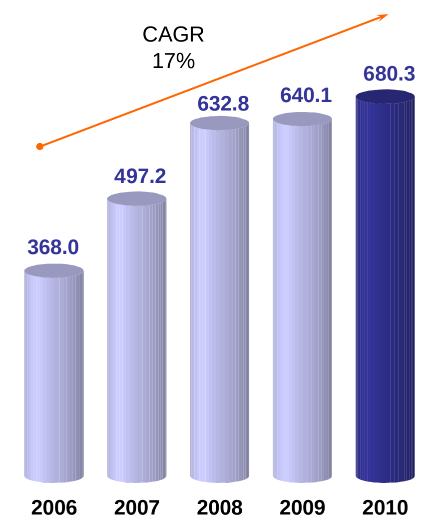
Annual Report 2010

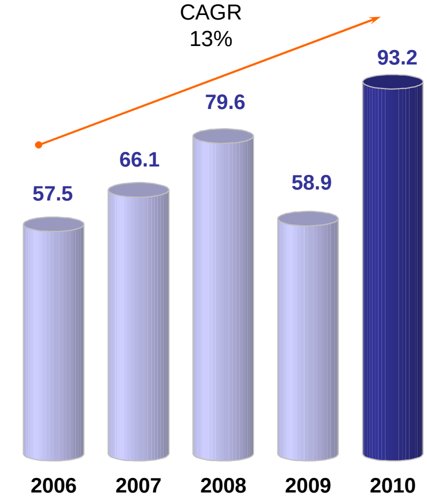
# Key Figures – Eurofins Scientific Group

***According to International Financial Reporting Standards (IFRS)***

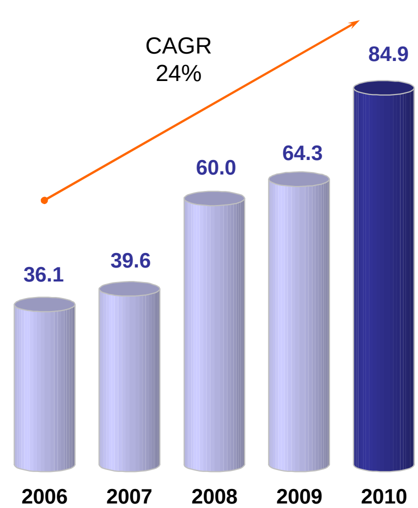
## Revenues (€m)




## EBITDA (€m)

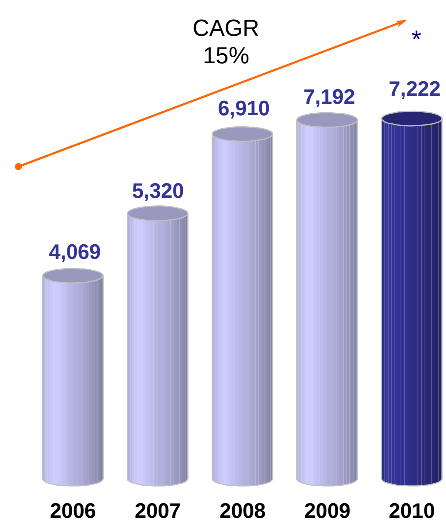



## Net Cash from Operating Activities (€m)




## Average number of Employees

(Full Time Equivalents)




CAGR : Compound Annual Growth Rate

eurofins

**Company Profile**

- A global leader in bioanalysis -

Eurofins Scientific 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.

With 8,000 staff in more than 150 laboratories across 30 countries, Eurofins offers a portfolio of over 40,000 reliable analytical methods for evaluating the authenticity, origin, safety, identity, composition and purity of biological substances and products. The Group is committed to providing its customers with high quality services, accurate results in time and, if requested, expert advice by its highly qualified staff.

The Eurofins Group is the world leader in food testing and one of the global market leaders in pharmaceuticals and environmental testing. It intends to pursue its dynamic growth strategy and expand 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 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 demands of regulatory authorities around the world.

---

## Content

# 1. Letter to the Shareholders

Dear shareholder,

It is my pleasure to report strong performance from the Group in 2010. The strong results demonstrate that from 2011, the Group is set to reap the benefits of the five-year investment programme and the two-year reorganization programme, both of which have been successfully concluded at the close of the year. Admittedly, Eurofins has the added benefit that the global economy is stabilizing, but more notably, the return to sustainable top line growth and the strengthening profitability and cash flow generation is the direct result of our team's hard work. Furthermore, our investments in the last five years to build an unparalleled, world-class laboratory infrastructure should allow us to drive revenue growth through winning new customers and increasing our share of our existing customers' testing spend, whilst increased efficiencies from the reorganization programme ensures stronger cash flow generation going forward.

Revenues increased by more than 6% to EUR 680m for the full year. Within the Group, the food testing business remained solid, with most markets delivering growth. Within the environmental testing business, the areas impacted by the global economic downturn, namely the industrial and construction sectors, had started to recover, whilst the regulatory-driven water testing remained stable. In the pharmaceutical testing business, the preclinical and clinical areas have started showing signs of stabilization, whilst genomics and quality control (pharmaceutical product testing) activities continued to thrive. Geographically, Eurofins' largest markets, particularly Germany and France, continued to post solid growth, indicating the large growth potential even in the Group's more mature markets. The ramp-up in revenues from Eurofins' new markets demonstrate the increasing importance of the Group's investments in the fast-growing economic zones. Overall, the revenue developments during the year come on the back of higher capabilities as a result of the investments in the last five years to secure leading positions in most of the markets where the Group operates.

The solid improvement in underlying profits for the full year 2010, as shown in the 21% increase in clean[1] EBITDA[2] to EUR 111m, is a reflection of the strengthening profitability across the Group, despite losses from start-up/network expansion. In fact, the clean EBITDA of 16.4% for the full year 2010 is back to pre-recession levels despite residual start-up losses, implying room for significant expansion of reported EBITDA and EBIT margins starting in 2011, with the removal of one-off costs relating to the reorganization programme and the narrowing of losses from start-up operations. 2010 clean EBITAS[3] margin of 10.3% is the highest since 2006, whilst EUR 52m is the highest EBITAS ever achieved by Eurofins.

Financial costs were largely flat from the previous year due to the higher cash balance and improved overall financing of the Group. Effective Group tax rate has been reduced to 30% in 2010, implying a more evenly spread of profits and the efficiency of the Group tax structure beginning to be realized. Therefore, Eurofins generated net profit[4] for the group of EUR 25m for the full year 2010, versus a loss of EUR 11m in 2009.

The Group's focus on profitability, the recovery in revenue growth, and the end of the investment and reorganization programmes have started to translate to strong cash generation. For the full year, net operating cash flow grew 32% to EUR 85m, whilst Free Cash Flow[5] after interests and dividend to hybrid holders posted a near-19x increase to EUR 26m.

Improving profitability, tighter capital management and sound funding mix has resulted in the strengthening of the balance sheet. Net debt[6] had been reduced by 8% to EUR 169m at the end of 2010 implying net debt to clean EBITDA ratio of 1.5x and net debt to equity ratio of 0.7x, versus 2.0x and 0.9x respectively at the end of 2009. At well below its maximum debt covenant limits of 3.5x net debt to clean EBITDA and 1.5x net debt to equity, Eurofins retains substantial headroom in its financing capacity. Additionally, at the beginning of 2011, the Group topped-up its existing Hybrid bond, originally issued in May 2007, by EUR 50m[7], bringing its total nominal value to EUR 150m. The additional hybrid further reduces pro-forma net debt as of December 31, 2010 to EUR 118m, implying net debt to clean EBITDA and net debt to equity ratios of 1.1x and 0.4x respectively. The incremental reduction in debt ratios from the Hybrid extension enhances Eurofins' debt profile, which in turn, should also reduce Eurofins' average cost of debt.

In 2010, we completed our latest investment programme, and the reorganization programme that we launched in response to the economic recession that started in 2008. During the year, the last c.20,000m$^2$ of laboratory space was constructed, bringing total Group laboratory surface that had been constructed or fully modernized during the programme to c.150,000m$^2$, with the last sites constructed or expanded during the period, namely in Cologne (Germany), Des Moines (USA), Barneveld (Netherlands), Tokyo (Japan), Shenzhen and Shanghai (China). Major sites that have yet to be completed or expanded in 2011, including sites in Wolverhampton (UK), Nantes and Saverne (France), have already been commissioned, and wherever possible the moving costs largely provisioned.

Nine of the 17 start-ups (in 15 countries) that Eurofins has invested in during the last five years are in emerging markets, where growth is expected to continue to outpace developed markets. Eurofins is well-positioned to not only service its existing customers that have testing requirements in emerging markets, but also benefit from the strong growth from the local markets, with three laboratories in China, two in India, and sites in Brazil, Singapore and Tokyo, as well as in Central and Eastern Europe.

Investments in its core markets will see Eurofins Nantes become the largest single-site food testing laboratory in the world upon completion of a 3,000m$^2$ extension in June 2011. In the pharmaceutical testing business, Eurofins has successfully established its Central Laboratory infrastructure in Europe, Singapore, China and the

USA, and has commissioned a laboratory in India, which is expected to become operational in 2011. This unique infrastructure allows the Group to serve the pharmaceutical companies' global clinical trials in a high quality, fully standardized manner.

Outlook:

Having finalized its five-year investment programme and two-year site consolidation initiative, the Group should be able to deliver even better performance in the medium term as the benefits from these, in addition to stronger revenue growth, begin to be realized in 2011. In line with this, we are optimistic that we should be able to achieve our medium-term objectives of:

- Achieving EUR 1bn revenues by 2013 by a combination of organic growth and acquisitions;
- Generating 21% and 15% EBITDA and EBITAS margins for the Group by 2013;
- Managing our capital expenditures to below 6% of Group revenues.

Eurofins, through its focused and consistent investments, has built a Group of state-of-the-art, highly specialized laboratories with strong competitive advantages and market share leadership in many countries. Its investments in the last five years, in particular, have reinforced difficult-to-duplicate barriers to entry in its key markets and activities. The Group's leadership is confident that Eurofins is strongly-positioned to be the leading choice for laboratory testing service for an increasing number of clients.

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 in steering the Company through the difficult times of the last two years. I look forward to making significant progress together in 2011.

Sincerely

Dr Gilles G. Martin

CEO

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

[1] Clean - excludes one-off costs from reorganization and discontinued operations, but includes losses related to network expansion (17 start-ups)

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

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

[4] Net profit before minorities and hybrid

[5] Free Cash Flow = net cash flow provided by operating activities less net cash used in activities, excluding acquisition payments but including interest payments and hybrid dividend payments

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

[7] Nominal value. Inreal terms, the exercise raised EUR 51m (EUR 48m in net proceeds plus EUR 3m on accrued coupon)

## 2. Selected Consolidated Financial Data

## Five-Year Summary

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

| Summarised Income Statement data | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| **Revenues** | **680.3** | 640.1 | 632.8 | 497.2 | 368.0 |
| Materials and services | **-253.6** | -250.7 | -251.6 | -202.3 | -147.9 |
| Personnel expenses | **-327.6** | -315.4 | -301.3 | -233.6 | -169.0 |
| Other operating income and expenses, net | **-6.0** | -15.0 | -0.2 | 4.9 | 6.4 |
| EBITDA before one-off/reorganisation costs | **111.3** | 92.2 | 90.7 | 68.7 | 55.4 |
| One-off/reorganisation costs | **-18.1** | -33.3 | -11.1 | -2.6 | 2.1 |
| EBITDA* | **93.2** | 58.9 | 79.6 | 66.1 | 57.5 |
| Depreciation | **-41.1** | -38.7 | -34.6 | -25.9 | -19.5 |
| **EBITAS**** | **52.0** | 20.2 | 45.0 | 40.2 | 38.0 |
| Non-cash charge for Stock Options | **-2.3** | -2.2 | -1.7 | -1.1 | -0.5 |
| Impairment and amortisation of intangible assets | **-1.1** | -7.7 | -1.4 | -0.7 | -0.2 |
| EBIT after non cash accounting charge for S.O., impairment of goodwill and amortisation of intangible assets related to acquisitions | **48.7** | 10.2 | 41.9 | 38.3 | 37.3 |
| Financial results, net | **-12.7** | -12.5 | -14.6 | -9.3 | -6.5 |
| Share of profit/ loss of associates | **0.2** | 0.2 | 0.2 | 0.1 | 0.1 |
| Income taxes | **-10.8** | -9.2 | -9.5 | -9.5 | -11.6 |
| Net profit attributable to equity holders | **25.3** | -11.3 | 17.7 | 17.6 | 17.5 |

| Summarised Earnings Per Share data | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Weighted average number of ordinary shares (adjusted for stock split): | | | | | |
| - in issue | **14,224** | 14,183 | 14,055 | 13,903 | 13,806 |
| - for diluted earnings per share | **14,859** | 15,357 | 15,178 | 15,077 | 14,939 |
| Total basic earnings per share | **1.65** | -0.79 | 1.26 | 1.27 | 1.27 |
| Total diluted earnings per share | **1.57** | -0.73 | 1.17 | 1.17 | 1.17 |

| Balance Sheet data | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Current assets | **295.8** | 231.7 | 312.0 | 232.6 | 199.2 |
| Non current assets | **440.3** | 427.6 | 422.0 | 379.5 | 261.2 |
| Total assets | **736.2** | 659.3 | 734.0 | 612.0 | 460.3 |
| Current liabilities | **208.6** | 177.8 | 189.5 | 180.9 | 128.5 |
| Non current liabilities | **296.8** | 278.4 | 325.4 | 215.6 | 229.2 |
| Total shareholder's equity | **230.7** | 203.0 | 219.1 | 215.6 | 102.6 |
| Total liabilities and shareholders' equity | **736.2** | 659.3 | 734.0 | 612.0 | 460.3 |

| Summarised Cash Flow statement data | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Net cash from operating activities | **84.9** | 64.3 | 60.0 | 39.6 | 36.1 |
| Investing cash flow | **-48.3** | -63.0 | -81.5 | -108.0 | -82.2 |
| Financing cash flow | **6.1** | -79.0 | 89.4 | 52.3 | 90.0 |

* 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

## 3. Financial and Operating Review

Eurofins Group marked an important milestone in 2010 with the successful completion of two flagship programmes: its five-year investment programme, which saw the Group complete 17 start-ups, enter 13 new markets, build, modernize and/or expand close to 50 large modern laboratories; and its two-year reorganization programme, which involved the consolidation of sub-scale laboratories into larger, more modern sites to increase efficiencies. Both programmes have been completed on schedule, and positions Eurofins as a leading choice for testing services in the food, environmental and pharmaceutical sectors in markets where it operates.

**Revenues**

In 2010, Eurofins Group generated revenues of EUR 680.3m, an increase of more than 6% from the EUR 640.1m achieved in the previous year. Most of that growth was generated organically plus some small acquisitions and beneficial net foreign exchange difference (Euro vs US Dollars and Scandinavian currencies). In the last quarter alone, revenues increased 8% compared to Q4 2009 to EUR 186.4m. The strong growth is even more impressive given the weather-related weakness in the first quarter of the year, when the particularly severe winter negatively influenced the performance in the environmental testing business. The solid performance during the year was partly a reflection of the gradual recovery in the broader economy, and in part the result of the heavy investments in the last five years to secure leading positions and unparalleled infrastructure in most of the markets where the Group operates.

Within the Group, the food testing business remained solid, with most markets delivering good growth, as volumes continued to increase on the back of further market share gains and steady expansion of Eurofins' share of existing customers' testing spend. The environmental testing business has started to recover during the course of 2010 in areas that were impacted by the global economic downturn, namely in the industrial and construction sectors, whilst the regulatory-driven water testing remained stable. Results from the pharmaceutical testing business show signs of stabilization in the pre-clinical and clinical areas, while the Genomics activities and quality control GMP areas continue to grow. The Group also notes the turnaround in order backlog in its Central Laboratory business, which bodes well for revenues in the clinical phase in the medium term.

**Revenues: Geographical Breakdown**

| EUR million | **2010** | % | **2009** | % |
|---|---|---|---|---|
| Benelux | **73.2** | 10.8 | **77.3** | 12.1 |
| British Isles | **41.4** | 6.1 | **38.1** | 6.0 |
| France | **134.7** | 19.8 | **122.3** | 19.1 |
| Germany | **158.6** | 23.3 | **145.0** | 22.6 |
| North America | **68.3** | 10.0 | **64.6** | 10.1 |
| Scandinavia | **135.6** | 19.9 | **134.6** | 21.0 |
| Other | **68.5** | 10.1 | **58.2** | 9.1 |
| Total | **680.3** | 100 | **640.1** | 100 |

The composition of revenues by geographic region highlights the Group's strategy of capturing the leading market share in the markets where it operates. Germany, which was slowed down by the weakness in industry-related environmental testing in 2009, grew 9% to EUR 158.6m during the year, and remains Eurofins' biggest market. Scandinavia, where Eurofins also has leading market share in both food and environmental testing, managed to increase its revenues by to EUR 135.6m, accounting for 20% of revenues. Revenues from France, where the Group remains the undisputed leader in food testing, grew an impressive 10% to EUR 134.7m, indicating the large growth potential even in the more mature markets. North America delivered 10% of Group revenues, having driven its revenues up nearly 6% to EUR 68.3m. The North American business is expected to increase more rapidly when the improvement in pre-clinical and clinical phase pharma testing accelerates. Meanwhile, the ramp-up in revenues from "Other" markets demonstrate the increasing importance of the Group's investments in the newer markets.

Overall, the strong revenue growth is consistent with the gradual improvement in the broader economic activity across the world, but also highlights the Group's ability to benefit from the economic turnaround by leveraging its market position.

**Net Income**

The benefits of the intense investments in the last five years and the comprehensive reorganization programme over the last two years have started to show effect in the second half of 2010, and have positively influenced the results for the full year. The Group reported EBITDA[1] of EUR 93.2m in 2010, a 58% increase from the previous year, despite ongoing start-up losses and reorganization costs. In Q4 2010, reported EBITDA of EUR 28.0m represents a near-trebling compared to Q4 2009.

Total costs remained largely stable at EUR 587.2m for the full year, implying that the 6% of revenue growth was driven from just 1% cost inflation, with reported EBITDA margin expanding 449 bps to 13.7% over 2010. Personnel costs remain the largest cost component for the Group, although as a percent of revenues has been reduced from 49.3% in 2009 to 48.2% in 2010. Similarly, cost of purchased materials also narrowed to 37.3% of revenues from 39.2% in the previous year. Adjusting for the EUR 18.1m and EUR 33.3m one-off reorganization costs in 2010 and 2009 respectively, the results also demonstrate improvement in underlying profitability despite start-up losses, with clean[2] EBITDA growing 21% to EUR 111.3m, versus EUR 92.2m in 2009, representing a 195 bps margin expansion to 16.4%. For Q4 2010, clean EBITDA was EUR 36.7m, representing a 51 bps margin expansion to 19.7%. The solid margin expansion across the business demonstrates the higher efficiencies achieved with sites that can process higher volumes with lower incremental costs. Therefore, despite higher depreciation charges for 2010, the wide margin expansion has boosted clean EBITAS[3] by 31% to EUR 70.2m (EUR 53.5m in 2009), while reported EBITAS is 158% higher compared to 2009 (EUR 20.2m) at EUR 52.1m.

Net financial charges were largely stable at EUR 12.7m (EUR 12.5m in 2009) despite the new OBSAAR issuance at the end of June 2010, due to the reduction in net debt throughout the year. Although the absolute tax charge of EUR 10.8m is higher than the previous year, the effective tax rate has been reduced to 30%. As a result of the above improvements, net attributable profit to equity holders for 2010 is EUR 23.4m, an earnings per share of EUR 1.65, versus a loss per share of EUR 0.79 in 2009.

**Balance Sheet and Capital Structure**

Total Assets at 31 December 2010 stood at EUR 736.2m, an increase of 11.6% from 31 December 2009, mostly due to a substantially higher cash position at the end of the year. Net working capital continued to improve significantly within the Group, at 4.4% of revenues at the end of the year (4.8% at 31.12.2009), reflecting its tight management to optimize cash generation at all times.

Net debt[4] was reduced significantly to EUR 169.2m at the end of the year (EUR 183.7m at 31.12.2009), as improved profitability and tight net working capital management added to higher cash balance. The lower net debt level substantially improves the Group's debt ratios, which at the end of the year stood at 0.7x net debt to equity (0.9x at the end of 2009) and 1.5x net debt to clean EBITDA (2.0x at the end of 2009), versus the maximum limits set out by its debt covenants of 1.5x and 3.5x respectively.

The second OBSAAR issued in June 2010 puts the total bonds at EUR 221.8m on the balance sheet, whilst bilateral credit lines stood at EUR 54.8m, of which EUR 21.9m falls due in the short-term. Following the repayment of EUR 70.3m of the outstanding EUR 118.1m OBSAR issued in 2006, the remaining EUR 48m is due to for payment in three equal amounts of EUR 16m every year starting March 2011. The second OBSAAR will be payable in equal amounts of EUR 58.7m per year over three years starting in June 2015.

With a cash position of EUR 107.5m at the end of the year, higher cash generation from improved profitability, and substantial headroom in debt capacity, the Group believes it is very well funded for its own liabilities, business plans and other opportunities that may arise.

Eurofins paid a dividend of EUR 8.1m to the holders of its deeply subordinated perpetual security ("hybrid" instrument) during the year. The Group also paid EUR 0.10 dividend per share (EUR 1.4m in 2009 and 2010) to its ordinary shareholders. It does not foresee increasing the dividend payments in the near future. The number of shares increased only to the extent that employees exercised their share options (weighted average 14.22m vs 14.18m in 2009).

**Cash Flow and Liquidity**

The operating earnings momentum described above has strengthened Eurofins' cash flows. Net cash from operating activities rose 32% to EUR 84.9m in 2010, compared to EUR 64.3m in 2009, due to higher revenues, stronger margins and close working capital management. Given the subdued M&A activity during the year, the EUR 9.2m acquisition costs for 2010 relate to deferred payments from previous transactions and some small scale acquisitions in 2010, and shows a 58.5% decrease from the previous year. This, in addition to the 10.2% decline in capital expenditures to EUR 41.0m, had reduced the net cash spent for investments by 23.3% to EUR 48.3m (EUR 62.9m in 2009).

Although Eurofins raised a net amount of EUR 174m from the second OBSAAR issuance in June 2010, a large part of the proceeds have been used to repay the majority of the first OBSAR and certain bilateral debt. Nonetheless, the Group generated EUR 26.4m in Free Cash Flow[5] in 2010, compared to EUR 1.4m in 2009 despite similar levels of one-off cash costs relating to the reorganization, as the EUR 31.9m generated in the last quarter alone offset the negative Free Cash Flows during the first nine months of the year. The Group's Clean Free Cash Flow more than doubled from EUR 19.4m in 2009 to an impressive EUR 43.9m in 2010.

[1] EBITDA – Earnings Before Interest, Tax, Depreciation and Amortization
[2] Clean - excludes one-off costs from reorganization and discontinued operations, but includes losses related to network expansion (17 start-ups)
[3] EBITAS - Earnings Before Interest, Tax, Amortization of intangible assets related to acquisitions, impairment of goodwill and non-cash accounting charge for Stock options
[4] Net Debt – Long and short term borrowings less cash and cash equivalents
[5] Free Cash Flow = net cash flow provided by operating activities, minus cash used in investing activities (but excluding acquisition payments), minus interest and hybrid interest paid.

**Sales and Marketing**

In 2010, Eurofins successfully maximized the benefits of the start of the turnaround in the global economy, increasing its market shares in most of the markets where it operates, developing new markets, gaining new customers and increasing its share of existing customers' testing spend.

Eurofins Food France leveraged its position as the leading choice for food testing, with increased sales across its service offering. Further strengthening its market leadership, it has launched a new business line called Global Services, with a wide range of solutions for risk and crisis management throughout the food supply chain, from providing expert advice, through to logistics, testing and inspection. Eurofins Analytics in Nantes now offers the broadest scope amongst all private food testing laboratories in France with the extension of its COFRAC LAB GTA 21 accreditation across all food matrices. The same team, through its close collaboration with the European Commission, is at the forefront of the COOL (Country of Origin Labelling) rules. The laboratory, already a world leader in stable isotope analysis for tracing the origin of food and beverages, has guaranteed access to the Commission's COOL database, boosting its own proprietary collection of data.

The biosciences group in France has signed agreements with restaurant chains KFC and Pizza

Hut for sampling and analysis of products used and served over a period of one year, with an option for regular extension. Eurofins Cervac Ouest is now the only private laboratory that offers Premitest®, which enables identification of Salmonella serotypes using specific DNA fragments, allowing clients to take necessary action rapidly.

Eurofins has rolled out an innovative tool for food hygiene and microbiology sample registration via a secured Blackberry interface. The tool significantly improves the sample scheduling and logistics, simplifying the process even more for the customer. The developments at Eurofins Food France reflect its position as a market leader, and was further demonstrated at the Eurofins International Seminar on Food and Safety Solutions held in Paris on April 21-22, 2010, attended by some 100 leading industry experts.

In Q3 2010, Eurofins obtained a three-year contract for the analysis of Transmissible Spongiform Encephalopathies (TSE), more commonly known as Prion Disease, for the Belgian Federal Agency for Safety of the food Chain (FASFC). The Group's Italian business has developed one of the most comprehensive pesticides screening package involving some 440 molecules, which is expected to facilitate market share gains. In the USA, Eurofins worked with several state agencies to provide information and to carry out tests for hydrocarbon and other chemicals in saltwater in the wake of the oil spill in the Gulf of Mexico. Within the newer markets, the Brazilian Ministry for Agriculture (MAPA) has extended the scope of Eurofins' accreditation for Pesticides testing, allowing the Group to expand its product portfolio for official samples analysis for Special Monitoring Programs by the Brazilian government. The food laboratories in China continue to gain inroads, having been successfully audited by a large number of international clients, which have already started translating to increased revenues.

In 2010, Eurofins Denmark further increased its market share in the public water testing market during the quarter by winning a large national multi-year tender. The Barneveld laboratory in The Netherlands was re-certified by one of the global oil majors, thereby maintaining preferred supplier status. The same laboratory also extended its OVAM accreditation for soil and water testing, allowing it to service customers in Belgium. The new soils Competence Centre in Kristiansand has rolled-out the Local Methods and Standard European methods used in Sweden. All relevant methods have gone live on the Eurofins Laboratory Information Systems (LIMS), and have already started processing a large-scale project involving 12,000 samples per year. Eurofins Italy won a bid to provide air monitoring services to utilities provider ACEGAS APS for a period of two years.

The pharma business continues to see steady progress. Eurofins AvTech Laboratories has finalized its rebranding to Eurofins Pharma Services, and is now fully integrated into the Group-wide offering. The unit has also expanded into raw materials testing and microbiology. Eurofins Medigenomix, a Competence Center for genetic analyses, and Boehringer Ingelheim, an international research-driven pharma company, concluded a long term service agreement (LSA) for DNA banking, and a master service agreement (MSA) for pharmacogenetic and pharmacogenomic services. Both services support Boehringer Ingelheim's R&D activities and contribute to the development of safe and effective drugs. MWG Operon, Eurofins' business arm for genomic services, has been selected by the Research Councils UK (RCUK) as its preferred supplier for DNA and RNA oligonucleotides for three years. The contract not only highlights RCUK's confidence in MWG Operon's product offering, but builds the basis for further additional product and service provisioning.

Eurofins' continue to see solid progress in China, with the portfolio of US and European accreditations expanding steadily, and the number of clients increasing to 160 at the end of 2010, just one year after the launch of its marketing initiatives. Building on Eurofins' solid reputation in cosmetic and fragrance testing in Europe, the Shenzhen laboratory has successfully implemented testing methods for cosmetics testing according to EU standards.

The integration of Eurofins' food, pharma and product testing services, evident in the newly-launched Eurofins China's website, is a powerful marketing tool reflecting the Group's competencies.

**Acquisitions and Geographic Expansion**

Eurofins continued its restrained stance on acquisitions in 2010, focusing instead on ensuring the completion of the company's five-year investment programme and the two-year reorganization programme on schedule. Nonetheless, Eurofins concluded a few small strategic transactions, via acquisitions and asset swaps, during the year that significantly tightened its operating footprint. The addition of Galys allows Eurofins to deepen its food and environment client penetration in the retail and catering industries, while broadening its expertise in the sugar and malt sectors in France. In the environmental testing business, the acquisition of Ascal from Air Liquide gives the Group clear leadership in the French asbestos testing market. Meanwhile, Eurofins concluded a small transaction, the acquisition of Lisec assets in Belgium, securing its leadership in the environmental testing market for polluted sites, water resource and air monitoring in Belgium.

Overall, Eurofins pursues a highly selective strategy for acquisitions, concluding transactions that either deepens or complements its current service offering. For example, Eurofins concluded a small US transaction that complements its pharma service portfolio.

As part of the intense investment programme in the last five years, Eurofins opened a new food testing laboratory in Bangalore, India, in September 2010, to address the demand of clients, and to participate in the rapid growth in the local market. The food testing lab is the Group's second facility in Bangalore, alongside its Genomics lab. Eurofins complemented its Shenzhen laboratory with a new facility in Shanghai for consumer testing, bringing total consumer testing facility in China to 5,000m$^2$. In Latin America, the new sales hub at Recife in the Pernambuco State in Brazil expands Eurofins' footprint in the region. Pernambuco, which is in the northeast region, is one of the fastest food production growth areas, and the biggest fruit production zone in Brazil.

The Group continually monitors the competitive landscape and remains committed to taking a key role in the market consolidation. Whilst Eurofins was busy with its organic investments and on bringing all laboratories up to the Group's high operational standards, the market had also adjusted to the economic downturn, and valuations had returned to more normalized levels. Therefore, the Group's Management believes that with its own internal investments and reorganization complete, and with its bigger scale, Eurofins is even better-positioned to respond to compelling opportunities in further sector consolidation.

**Investment**

2010 is a hallmark year for Eurofins, with the completion of two concurrent programmes: the five-year intensive investment programme which saw the company engage in 17 start-ups in 15 countries, and the two-year reorganization programme, launched in the wake of the economic downturn in 2008. Both programmes were designed to extract value and profitability, and more importantly, to position Eurofins as the leading choice for laboratory testing amongst clients with its state-of-the-art network of laboratories and unparalleled infrastructure.

In 2010, the last c.20,000m$^2$ of laboratory space was constructed, bringing total Group laboratory surface that had been constructed or fully modernized during the programme to c.150,000m$^2$, with the last sites constructed or expanded during the period, namely in Cologne (Germany), Des Moines (USA), Barneveld (Netherlands), Tokyo (Japan), Shenzhen and Shanghai (China). Major sites that have yet to be completed or expanded in 2011, including sites in Wolverhampton (UK), Nantes and Saverne (France), have already been commissioned, and wherever possible the moving costs largely provisioned.

Nine of the 17 start-ups (in 15 countries) that Eurofins has invested in during the last five years are in emerging markets, where growth is expected to continue to outpace developed markets. Eurofins is well-positioned to not only service its existing customers that have testing requirements in emerging markets, but also benefit from the strong growth from the local markets, with three laboratories in China, two in India, and sites in Brazil, Singapore, as well as in Central and Eastern Europe.

Investments in its core markets will see Eurofins Nantes become the largest single-site food testing laboratory in the world upon completion of a 3,000m$^2$ extension in June 2011. In the pharmaceutical testing business, Eurofins has successfully established its Central Laboratory infrastructure in Europe, Singapore, China and the USA, and has commissioned a laboratory in India, which is expected to become operational in 2011. This unique infrastructure allows the Group to serve the pharmaceutical companies' global clinical trials in a high quality, fully standardized manner.

In 2010, Eurofins Medinet, the Group's central laboratory unit for clinical studies, has moved into larger dedicated premises in Shanghai, with better logistical connections enabling the business to cater to the rapidly expanding demand in the country. Eurofins US food nutrition testing laboratory and national service center has moved to a new 5,600m$^2$ facility in Des Moines, Iowa, in response to the growing food testing demands in the USA and to improve laboratory efficiencies. This Nutrition Analysis Center is state-of-the-art and will position Eurofins to deliver an even higher level of service. It gives Eurofins' food testing group added capabilities to handle specialty projects for clients in the food and seed industry segments, more specifically GLP testing work and has already achieved ISO 17025 accreditation. In Sweden, the project to merge all microbiology operations into one central operation at Jönköping facility has been completed during the year. An extension to the existing structure has been built and staff has relocated from the Linkoping laboratory, which has been turned into an Agro Feed Competency Center. Eurofins Agroscience Services have a new vine station in Saint Nicolas de la Grave, France. This dedicated facility provides access to more than forty vine varieties over 1 ha in the south west of France, offering great opportunities for efficacy trials, screening trials and GLP trials.

Eurofins has also moved into new or significantly expanded sites in Germany and the Netherlands.

The Clinical Pharmacology Unit in France has expanded its capacity to 100 beds, positioning Eurofins well for early clinical development phases. Its location within the hospital gives access to easier recruitment of patients and to a large medico-technical and imaging platform.

Meanwhile, the Group has successfully completed in January 2011 the last two site consolidations in Scandinavia, bringing to a close the two-year reorganization programme, which saw the consolidation of several small, sub-scale laboratories into bigger sites to increase efficiencies.

**Research and Development and IT**

Research and development remains central to Eurofins' strategy of providing high quality testing service to its clients by being constantly up to date with regulation and technological advances. The Group works closely with regulators in its markets to identify potential sources of concern and formulating regulations and methods for implementation accordingly. This allows the Group to service its customers efficiently to ensure that they are compliant with relevant regulations.

Eurofins was a major contributor in the TRACE (for tracing food origin) project funded by the European Commission, as a result of which, it has obtained guaranteed access to the database, which in turn boosts its own proprietary collection of reference data.

Eurofins MWG Operon strengthened its position as the leading expert in next generation sequencing (NGS) with the purchase of a Roche GS Junior in Q3 2010. The integration of the new system in the NGS service pipeline allows Eurofins to maintain the quality of high throughput sequencing projects and develop new applications more efficiently and more effectively.

An interesting R&D project has been launched in Slovakia, in association with the national research and development agency and the Academy of Science. With the support of EU funds, research will be carried out on the influence of natural products such as herbs in food production and their general use in the food industry. The contract will last for three years.

The International Dairy Foundation (IDF) and International Organization for Standardization (ISO) have recently published guidelines for the quantitative determination of melamine and cyanuric acid by LC-MS/MS in liquid milk, powdered milk products and infant formulae. The guidelines are consistent with those already used in Eurofins' Competence Centers for Contaminants across US, Europe and Asia since 2008. The consistency of Eurofins' methods with the new standard issued by the IDF and ISO validates its strong competence and pioneering technical expertise in laboratory analysis.

In addition to the physical site constructions, Eurofins continues to invest heavily in IT infrastructure to support its network of laboratories. With over EUR 15m spent on its OneIT programme in 2010 alone, Eurofins remains committed to its implementation across the whole Group. The proprietary LIMS IT backbone and network has already been successfully replicated and rolled-out in China, which gives the Group greater competitive edge on the back of standardized testing, transparent process from start to finish, and faster turnaround time. Eurofins-On-Line (EOL), the web-based application that allows customers to electronically manage their data and communicate with their Eurofins laboratories in real time, has gone live in several of Eurofins markets. EOL significantly reduces time and logistical process from sample registration through to the generation of analytical results for the customers, and cuts Eurofins' laboratory costs for sample registration. The Group expects to be able to provide the service to most of its customers across its businesses in Europe and the US in 2011.

**Corporate news**

Consistent with the Group's commitment to high standards of corporate governance, Mr. Stuart Anderson has been appointed to the Conseil d'Administration in Q2 2010 as an independent, non-executive director. Additionally, Mr. Anderson, a seasoned food industry professional, now also chairs the Audit Committee.

Eurofins has officially delisted from its second quotation on the Prime Standard of the Deutsche Börse. The low daily trading volumes in the shares on the Frankfurt market did not justify the costs of maintaining the second listing; the last day of trading on the Frankfurt Stock Exchange was on 10 September, 2010. Eurofins shares are now solely listed on the NYSE Euronext Paris.

The Group secured additional financing and managed to lengthen the maturity of its debt obligations with its second OBSAAR issuance in June 2010.

**Post Closing Events**

On the 17th of February, 2011, the Group topped-up its existing Hybrid bond, originally issued in May 2007, by EUR 50m*, bringing its total nominal value to EUR 150m.

The exercise was undertaken by the Group to strengthen its financing capabilities in light of its intention to take advantage of selective opportunities as and when they arise.

The issue structure ensures that the bond is accounted for as 100% equity according to international financial reporting standards (IFRS). This provides equity-like capital that complements Eurofins' current financial resources without any dilution for Eurofins current shareholders. 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 will be immediately fungible with the existing hybrid bond and will be listed under the same ISIN code FR0010474627 on the Frankfurt Freiverkehr (unregulated) market.

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 results.

* Nominal value. In real terms, the exercise raised EUR 51m (EUR 48m in net proceeds plus EUR 3m on accrued coupon).

## 4. Objectives and Strategy

Eurofins is a group of testing laboratories focused on bioanalytical testing. The mission of the Group is to provide 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 the competition is fragmented. It serves clients who operate mainly in the food, pharmaceutical and environment sectors.

The Group does not operate under one single strategy but with several that are specific to each market in which it operates. In general, Eurofins uses some or all of the following to build strong positions and defendable barriers-to entry:

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

This has been successfully applied in 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.

## 5. The Operating Environment

## Market and Growth Drivers

Eurofins' business is driven by people'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. In the section below we discuss some of the key drivers for the Eurofins business.

**The bioanalytical testing market**

The bioanalytical testing market is a relatively new one, 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.

Some fundamental growth drivers and mega-trends sustain Eurofins' long-term growth:

**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 new 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. 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 40,000 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 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.

## 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, and some 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.

### Highlighted Risks for 2011

In 2010, 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 specific 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 the recent economic downturn, major structural changes in the market can have a negative 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 of the Group's more regulated markets (environment, pharma).

**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:** whilst the worst of the economic crisis may have passed, there is still a potential risk of funding and a general financial risk. The Group remains prudent in its approach to funding, to try to be prepared 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 all measures taken by the Company to limit the risk of errors omission, it can never be fully excluded and may exceed insured amounts and areas.

Each risk is fully explained in the relevant paragraphs below.

#### General Risks

Management consider 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.

### Commercial Risks

#### Changes in the market

Eurofins operates mainly in the food, pharma and environmental testing markets, which it considers to be relatively immune from 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 this food and drink be safe for consumption. In the pharmaceutical industry the search for new and more effective drugs continues to drive drug development programmes and the environmental testing market regulations in an increasing number of parts of the world are strictly enforced.

In the wake of the recession that started in 2008, the economy of almost every country in the world has been put under pressure and the severity and longevity of this period of financial difficulty are impossible to determine. It may be that some or a large number of Eurofins' customers go out of business, or that government or other regulations are suspended or revoked. 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 analysis 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 of 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 tests.

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 its business. 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 e.g. COFRAC, DAR, STERLAB, DANAK, UKAS or FDA, DEA or USDA. 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 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.

**Subcontracting**

Recourse to subcontracting 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.

**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, the U.K., 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 requires 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 burdens on the Company's net worth, financial position and operating results, even though past acquisitions have been 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 other 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 market.

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.

## Fraud/ethical risks

The Company has implemented various systems of quality assurance in the largest part of its laboratories that ensures 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

### 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.

## 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 Référence".

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, 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 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 various restrictions including those over dividend payouts. Particularly regarding the liquidity crisis which has rocked the global economy since the start of 2008, 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 sources. 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 financial 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 be caused by 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, an 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 activity 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 stock price.

## 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 the maintaining of Company secrets and not infringing upon the industrial property rights of third parties. The Company files 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 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, thus having 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 rule out totally a detrimental risk to the Company from the disclosure of confidential information to outside parties.

#### 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, a 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 R&D projects. Currently, there are several internal and collaborative research and development projects running including R&D 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 great uncertainty as to 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.

### 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 of 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 its results of analyses may be relied upon and used in the marketing activities of its customers. In case of errors or negligence being found as the cause for a product recall, damages to property or health, Eurofins' 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 to insurance policies 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.

Total cost for all insurances for the Group amounted to EUR 4.3m in 2010.

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 not 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.

## 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 (COO BioAlliance), 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. Eurofins is now pursuing the case in French courts. 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 of this happening.

Other legal disputes than the ones mentioned above, such as 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 material. 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 here above). However, it is not certain that the insurance cover would be adequate in the event of a major claim.

**Risks of strikes and labour disputes**

Strikes or other labour disputes might increase the Group’s 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. These risks may also include costs that are related to these risks such as legal costs. However, the Company thinks that it is likely that these strikes or disputes will occur only in a regionally limited way at any one time.

**Dependence on persons in key positions and qualified personnel**

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 strong 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 strengthen personnel and technical structures within the Group to support business developments. 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 shares. In general, securities markets have been subject to large price and volume fluctuations, particularly in the past couple of 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.).

**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 predictions are statements that include 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 makes no commitment to update those opinions other than if and when possible or appropriate.

**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 46.0% of the shares of the Company and 52.7% of the voting rights. Free float is 54.0% of the Company's capital stock and 47.3% 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.

## 6. Social and Environmental Information

The Eurofins Group considers it to be an obligation to behave in a way that is fair and responsible, in particular with regards to its clients, employees and shareholders. This report outlines the ways in which the Company ensures that this is carried out. Eurofins is also 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.

### Social Information

**Employees**

The average weighted number of employees, expressed as full time equivalent (FTE), stayed relatively constant (7,222 in 2010, versus 7,192 in 2009) despite the 6% growth in sales on the back of a ramp-up in volume. The increased efficiency highlights the benefits of both the intensive investments over the last five years, and the comprehensive consolidation and reorganization programme in the last two years. The geographical distribution of Eurofins’ FTEs is as follows:

| FTEs by region | 2010 | 2009 |
|---|---:|---:|
| Benelux | 713 | 761 |
| France | 1,437 | 1,405 |
| Germany | 1,863 | 1,725 |
| North America | 622 | 629 |
| Scandinavia | 1,128 | 1,245 |
| British Isles | 423 | 482 |
| Other | 1,036 | 945 |
| **Total** | **7,222** | **7,192** |

The Group’s total headcount at the end of the year was 8,072.

**Remuneration, welfare taxes, sexual equality**

The Group’s personnel costs, including social security and pension costs amounted to €327.6m or 48.2% of 2010 revenues (€315.4m, 49.3% in 2009). 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 Eurofins Group’s own objectives. For example, for senior operational managers it is frequently related to the generation of economic profit. 99% of senior managers had an annual evaluation with their direct manager during the year, up from around 93% in 2009. The number for total employees is not currently able to be measured.

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. In 2010, the average number of working hours per FTE posted a marginal increase of 2% over the previous year, primarily due to increased testing activities in the laboratories.

Absenteeism is not measured in a homogenous way between countries but on average it is estimated to be in the region of 4%.

**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 2010, 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)**

Redundancies primarily result from the above mentioned consolidation process, carried out at a number of laboratories in 2010, where certain activities were transferred into other Eurofins laboratories in order to maintain the Group's competitiveness. As part of these moves, Eurofins prefers to offer the employees concerned a relocation option to the new location. 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**

The Eurofins Group encourages and rewards collective performance because it considers its workforce as the single biggest contributor to its ambition to be the leading player in the bioanalytical market. 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 40,000 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 focused in 2010 on a new project 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 1,500 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.

#### Disability Policy

The Group attaches a great deal of importance to ethical values and in particular to the policy of employing wherever possible a certain number of handicapped people. The precise number employed varies from country to country and depends to a certain extent on the size of the laboratory but approximately 1% of the employees of the Group have some sort of disability, 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

Eurofins continues to implement progressively its environmental statistical reporting. On a laboratory basis, water consumption decreased substantially during the year, reflecting the consolidation of activities into a smaller number of larger and state-of-the-art labs over the year. In addition, during the year the number of business units that reported for the first time, including laboratories were able to offer definite or estimated consumption figures for the first time increased by 30. Despite those data are not yet all homogenous or representative, the Group hopes to be able to increase the scope of its reporting next year to include measurement of energy as well as to select metrics that make overall consumption more meaningful (e.g. water consumption per FTE).

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.

## 7. 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 Conseil d'Administration (Supervisory Board) also believes that a company with a good approach to corporate governance is a sign of a well-managed company.

The Conseil d'Administration considers that the current corporate governance environment at Eurofins is appropriate for a business of its size, nature and operations.

During 2010 the Company continued to make efforts to improve its overall standards of governance, addressing some specific areas which needed to be considered as the Company has dramatically grown in size over the last few years. These are set out in the relevant sections below, but mostly concerned the balance and composition of the boards and committees that govern the Company, along with the nomination of the new independent non-executive board member.

### Conseil d'Administration

The governance structure is headed by the "Conseil d'Administration" (Supervisory Board) which in turn has appointed further committees to enable it to run the business more efficiently.

The Board's role 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 Conseil d'Administration approved the Terms of Reference which define the way the Conseil d'Administration 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 Conseil d'Administration 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 (this had previously been 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 Supervisory Board consisted of the following members:

- Dr. Gilles 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, Non-Executive Board Member
- Stuart Anderson, Non-Executive Board Member

Dr Wicher Wichers is now deemed to be an independent director for the following reasons: he has not been an executive member of the Group for over 3 years; his time as a director at the Company formed a small part of his total experience in the industry; his position as a director was a direct result of his laboratory being purchased by Eurofins and he therefore had an external perception of the Group; and, most importantly, he has proved to be a very independently minded contributor to Board discussions over the year.

The appointment of Stuart Anderson as independent non-executive board member has been confirmed during the AGM on the 14th of May 2010. Mr. Anderson, a seasoned food industry professional, brings with him solid experience in management in international food and consumer business. Mr. Anderson fulfils all the criteria of independence according to the AFEP/MEDEF code.

No conflicts of interest have been declared by Board members. The Board met 14 times in 2010 and the attendance rate was 73%.

Prior to the meetings, the members of the Supervisory Board 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, the net profit allocation, the issuance of new securities, the payment of a dividend, the issuance of the OBSAAR, the capital increase in relation to stock option exercises, the convening of the Annual General Meeting and the investigation of the documents which will be presented during the AGM. In addition decisions and debates were held on the strategic direction of the Company, the major transactions, corporate governance, the appointment and remuneration of the boards and top executive managers, the allocation of the stock options, the share of the director's fees and the composition of the Audit Committee.

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

## Directors Holdings

The summary as of 31 December 2010 is as follows:

| As of 31.12.2010 | No. of Shares | No. of Stock Options |
|---|---|---|
| Dr. Gilles G. Martin | 1 | 0 |
| Dr. Yves-Loïc Martin | 14,546 | 0 |
| Mrs Valérie Hanote | 1 | 0 |
| Mr. Wicher R. Wichers | 11,001 | 8,500 |
| Mr. Stuart Anderson | 355 | 500 |

Analytical Bioventures SCA, which is controlled by Gilles Martin and Yves-Loïc Martin holds 6,559,570 shares.

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

## 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. Xavier Dennery, Environment
- 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%.

## Audit Committee

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

The Audit Committee met once during 2010. The meeting discussed specific items such as the implementation of information systems by Group Finance, and the consistency and process harmonization following implementation, planning the reporting process for the year-end closing, financial risk management with respect to the Group's financial covenants, and the recruitment needs of Group Finance, particularly regarding internal audit. 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 Supervisory Board in October 2002):

- Monitoring of the reporting procedures and budgeting;
- Supervision and review of the internal audit and control;
- Control of the respect of the internal procedures in terms of approvals and signatures;
- The Company's auditors: selection, suggesting to the Supervisory Board, new candidates when their mandate ceases;
- Analysis of the Company's risks factors;

- Suggesting improvements to the Group's reporting tools and control of their implementation.

The Audit Committee consists of the following members:

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

Stuart Anderson, recently appointed as a non-executive independent Board Member during the AGM on 14 May 2010, has also succeeded Mr. Matthias Wilbur-Weber as Chairman of the Audit Committee, based on his long management experience and credentials.

### Remuneration and benefits of Board members

The rules and principles used to determine the remuneration, benefits-in-kind and bonuses of the directors are not determined by the Supervisory Board on a collective basis. The remuneration, benefits and bonuses of the Chief Executive and the other main Board members are based on the results and performance of the Group, and on individual achievement of annual objectives. The Supervisory Board has accepted the recommendations of AFEP-MEDEF dated 6 October 2008 on the remuneration of Board members of quoted companies. There have been no new or renewed director appointments since that date.

The Group is planning the implementation of 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 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 to family-owned entities for rapid decision-making regarding business strategies.

### Shareholders Rights

In every matter the Conseil d'Administration is careful to protect the rights of all shareholders:

Each share gives an equal right to participation in the Company's share capital. The Conseil d'Administration supports 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. The practicalities of payment of the dividend are determined by the Annual shareholder meeting, or delegated to the Conseil d'Administration.

### Annual General Meeting

The Annual General Meeting of Eurofins Scientific SE will be held in Nantes on 1st of June 2011. 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.

## Group 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 in order 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.

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. Regarding the Holding, the business of Eurofins Scientific SE is to manage its investments and the financing of the activities of its subsidiaries, provide support and communication and to 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 the 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 comes 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 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, tax and legal, M&A, treasury and investor relations and financial 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 Financial Communications team

Two internal auditors were appointed at the Group during the year, along with a finance director for the Group's holding companies in Luxembourg.

### 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 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 of the accounting processes and evaluation of operational risks
- Advice on the organisation and work programme of the accounting function
- Control over the Manual of Procedures of the Group, in particular the application of the approval process
- Suggestion for the improvement of Group management reporting and their implementation

In 2010 the Internal Audit function reviewed the following as part of their duties:

- A review of internal control systems in Sweden and England particularly regarding purchases, sales, payments and fixed assets
- 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

### 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:

- Financial calendar
- Table of Authorised Signatures
- Organisation
- 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.

<u>Implementation of the reporting tools</u>

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.

<u>Organisational audit</u>

Frequently, a specific part of the administrative process is selected, in accordance with 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.

### 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

### 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 Supervisory Board and the Group Executive Committee).

The decisions made refer 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.

### Data room

In 2010, the Company created an electronic data room on its intranet platform to make appropriate documents accessible to relevant employees. This new 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.

This quarterly consolidation is reported to the financial markets through the quarterly reports which include the income statement, the balance sheet, the cash flow statement, the consolidated statement of changes in equity as well as interim notes.

### 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 Conseil d'Administration:

- 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 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.

### Description of Eurofins' risks

The Risk Factors contained in the relevant section to this report and are revised each year and categorised into technological, industrial, commercial and financial risks.

### Summary

The activities of the Company are increasingly based on established procedures whose object 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.

.

# 8. Consolidated Financial Statements

## Consolidated Profit and Loss Statement

January 1, 2010 to December 31, 2010

| € Thousand | Note | 2010 | 2009 |
|---|---|---|---|
| **Revenues** | 4.1 | **680,333** | **640,073** |
| Cost of purchased materials and services | 2.1 | -253,581 | -250,747 |
| Personnel expenses | 2.2 | -327,602 | -315,393 |
| Other operating income and expenses, net | 2.3 | -5,985 | -15,035 |
| EBITDA [1] | | 93,165 | 58,898 |
| Depreciation and amortisation | 3.1, 3.2 | -41,115 | -38,729 |
| **EBITAS [2]** | | **52,050** | **20,169** |
| Non cash accounting charge for stock options (S.O.) | 2.4 | -2,266 | -2,237 |
| Impairment of goodwill and amortisation intangible assets related to acquisitions | 3.2 | -1,074 | -7,692 |
| EBIT after non cash accounting charge for S.O., impairment of goodwill and amortisation of intangible assets related to acquisitions | | 48,710 | 10,240 |
| Finance income | | 909 | 2,339 |
| Finance costs | | -13,623 | -14,872 |
| Financial result | 2.5 | -12,714 | -12,533 |
| Share of (loss)/ profit of associates | 3.4 | 180 | 211 |
| Result before income taxes | | 36,176 | -2,082 |
| Income tax expense | 2.6 | -10,833 | -9,203 |
| **Net profit for the period** | | **25,343** | **-11,285** |
| **Profit attributable to:** | | | |
| Owners of the parent | | 23,400 | -11,234 |
| Non controlling interest | | 1,943 | -51 |
| Earnings per share (basic) in € - Total | 4.5 | 1.65 | -0.79 |
| Earnings per share (basic) in € - attributable to hybrid capital investors | | 0.57 | 0.57 |
| Earnings per share (basic) in € - attributable to equity holders | | 1.08 | -1.36 |
| Earnings per share (diluted) in € - Total | 4.5 | 1.57 | -0.73 |
| Earnings per share (diluted) in € - attributable to hybrid capital investors | | 0.54 | 0.53 |
| Earnings per share (diluted) in € - attributable to equity holders | | 1.03 | -1.26 |
| Weighted average shares outstanding (basic) | 4.4 | 14,224 | 14,183 |
| Weighted average shares outstanding (diluted) | 4.4 | 14,859 | 15,357 |

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

[1] The EBITDA is negatively impacted by costs incurred as a direct result of the accelerated reorganisation programme of the Group to an amount of € 33m in 2009 and € 18m in 2010. Excluding these one-off/ reorganisation costs, the "clean" EBITDA amounts to about to € 92m in 2009 and € 111m in 2010.

[2] EBITAS : EBIT before Amortisation of intangible assets related to acquisitions and impairment of goodwill and non cash accounting charge for Stock options (Note 1.1)

## Consolidated statement of comprehensive income

As of December 31, 2010

| € Thousand | 2010 | 2009 |
|---|---|---|
| **Net profit for the period** | **25,343** | **-11,285** |
| Currency translation differences | 11,932 | 3,321 |
| Deferred tax on net investment | -752 | -36 |
| Financial instruments | 1,035 | -1,406 |
| Tax effect on other comprehensive income | 0 | 0 |
| **Other comprehensive income for the period, net of tax** | **12,215** | **1,879** |
| **Total comprehensive income for the period** | **37,558** | **-9,406** |
| **Attributable to:** | | |
| Owners of the parent | 35,614 | -9,017 |
| Non controlling interest | 1,944 | -389 |

# Consolidated Balance Sheet

As of December 31, 2010

| € Thousand | Note | 2010 | 2009 |
|---|---|---|---|
| Property, plant and equipment | 3.1 | 137,085 | 135,002 |
| Goodwill | 3.2 | 246,370 | 239,313 |
| Other intangible assets | 3.2 | 30,209 | 29,943 |
| Investments in associates | 3.4 | 2,620 | 2,260 |
| Financial assets, trade and other receivables | 3.5 | 6,770 | 5,487 |
| Deferred tax asset | 3.17 | 17,278 | 15,643 |
| Derivative financial instruments | 4.3 | 0 | 0 |
| **Total non current assets** | | **440,332** | **427,648** |
| Inventories | 3.6 | 8,389 | 7,769 |
| Trade accounts receivable | 3.7 | 153,987 | 145,298 |
| Prepaid expenses and other current assets | 3.8 | 21,727 | 20,826 |
| Corporate tax receivable | | 4,222 | 3,398 |
| Cash and cash equivalents | 3.9 | 107,504 | 54,360 |
| **Total current assets** | | **295,829** | **231,651** |
| **Total assets** | | **736,161** | **659,299** |
| Share capital | | 1,429 | 1,421 |
| Other reserves | | 66,230 | 52,882 |
| Hybrid capital | 3.12 | 100,000 | 100,000 |
| Retained earnings | | 57,340 | 42,321 |
| Shareholders' equity – part of the Group | | 224,999 | 196,624 |
| Non controlling interest | | 5,692 | 6,410 |
| **Total shareholders' equity** | | **230,691** | **203,034** |
| Borrowings | 3.10 | 32,934 | 97,283 |
| OBSAAR Bonds | 3.11 | 205,714 | 118,057 |
| Derivative financial instruments | 4.3 | 3,420 | 4,455 |
| Deferred tax liability | 3.17 | 11,286 | 7,127 |
| Account payable on investment | 3.14 | 11,243 | 20,603 |
| Retirement benefit obligations | 3.15 | 14,318 | 12,411 |
| Provisions for other liabilities and charges | 3.16 | 17,934 | 18,495 |
| **Total non current liabilities** | | **296,849** | **278,431** |
| Borrowings | 3.10 | 21,940 | 22,735 |
| OBSAAR Bonds | 3.11 | 16,130 | 0 |
| Trade accounts payable | | 54,930 | 50,558 |
| Advance payments received and deferred revenues | | 14,497 | 16,671 |
| Corporate tax due | | 7,978 | 7,597 |
| Account payable on investment | 3.14 | 6,132 | 1,359 |
| Other current liabilities | 3.13 | 87,014 | 78,914 |
| **Total current liabilities** | | **208,621** | **177,834** |
| **Total liabilities and shareholders' equity** | | **736,161** | **659,299** |

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

## Consolidated Cash Flow Statement

January 1, 2010 to December 31, 2010

| € Thousand | Note | 2010 | 2009 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Result before income taxes | | **36,176** | **-2,082** |
| Adjustments for: | | | |
| Depreciation and amortisation | 3.1, 3.2, 3.3 | 42,188 | 46,421 |
| Increase/ decrease in provisions and accruals | 3.15, 3.16, 3.19 | -463 | 11,488 |
| Losses/ gains on the disposal of subsidiaries | 2.3 | -842 | 306 |
| Losses/ gains on the disposal, write off of fixed assets | 2.3 | 1,182 | 5,113 |
| Non cash accounting charge for stock options | 2.4 | 2,080 | 2,124 |
| Financial income and expense, net | | 12,358 | 12,402 |
| Expense/ income from investments (equity method) | | -180 | -211 |
| Change in net working capital | 3.18 | 2,050 | -1,720 |
| **Cash generated from operations** | | **94,549** | **73,841** |
| Income taxes paid | 2.6 | -9,612 | -9,504 |
| **Net cash provided by operating activities** | | **84,937** | **64,337** |
| **Cash flows from investing activities** | | | |
| Acquisitions of subsidiaries, net of cash acquired | 3.19 | -9,226 | -22,247 |
| Proceeds from sale of a subsidiary, net of cash transferred | 3.19 | -71 | 637 |
| Purchase of property, plant and equipment | 3.1 | -34,061 | -38,035 |
| Purchase of intangible assets | 3.2 | -6,935 | -7,600 |
| Proceeds from sale of property, plant and equipment | 3.1, 3.2, 3.3 | 1,240 | 1,770 |
| Purchase net of sales of investments and financial assets | 3.4, 3.5 | -34 | -181 |
| Interest received | | 823 | 2,700 |
| **Net cash used in investing activities** | | **-48,264** | **-62,956** |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of share capital | | 1,519 | 428 |
| Proceeds from short or long term borrowings | 3.10 | 1,448 | 12,268 |
| Cash repayments of amounts borrowed | 3.10 | -76,851 | -64,859 |
| OBSAAR bonds issue | 3.11 | 173,400 | 0 |
| BSAAR bonds issue | | 474 | 0 |
| OBSAAR Bonds repayment | 3.11 | -70,291 | -1,320 |
| Hybrid capital issue | 3.12 | 0 | 0 |
| Dividends to shareholders | | -1,420 | -1,416 |
| Dividends to Non controlling interest | | -2,707 | -1,852 |
| Dividends from Equity method | 3.4 | 47 | 0 |
| Earnings paid to hybrid capital investors | | -8,081 | -8,081 |
| Interest paid | | -11,393 | -14,127 |
| **Net cash provided by financing activities** | | **6,145** | **-78,959** |
| Net effect of currency translation in cash and cash equivalents | | 1,244 | 1,978 |
| **Net increase (decrease) in liquid funds** | | **44,062** | **-75,600** |
| Cash and cash equivalents and bank overdrafts at beginning of period | | 52,254 | 127,854 |
| **Cash and cash equivalents and bank overdrafts at end of period** | 3.9 | **96,316** | **52,254** |

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, 2010

| € Thousand | Note | Attributable to owners of the parent | | | | Minority interest | Total Equity |
|---|---|---|---|---|---|---|---|
| | | Share capital | Other reserves | Hybrid Capital | Retained earnings | | |
| **Balance at January 1, 2009** | | **1,416** | **49,086** | **100,000** | **62,084** | **6,532** | **219,118** |
| Currency translation differences | | 0 | 3,373 | 0 | -53 | 1 | 3,321 |
| Financial instruments | | 0 | 0 | 0 | -1,406 | 0 | -1,406 |
| Deferred taxes on net investments | | 0 | 0 | 0 | -36 | 0 | -36 |
| Non controlling interest transfer | | 0 | 0 | 0 | 339 | -339 | 0 |
| Gains and losses recognised directly in equity | | 0 | 3,373 | 0 | -1,156 | -338 | 1,879 |
| Net profit | | 0 | 0 | 0 | -11,234 | -51 | -11,285 |
| Net profit and gains and losses recognised directly in equity in 2009 | | 0 | 3,373 | 0 | -12,390 | -389 | -9,406 |
| Treasury stock | | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock options effects | 2.4 | 0 | 0 | 0 | 2,124 | 0 | 2,124 |
| Distribution on Hybrid Capital | 1.19, 3.12 | 0 | 0 | 0 | -8,081 | 0 | -8,081 |
| Issue of share capital | | 5 | 423 | 0 | 0 | 232 | 660 |
| Dividends | | 0 | 0 | 0 | -1,416 | -2,084 | -3,500 |
| 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 | 0 | 2,119 | 2,119 |
| **Balance at December 31, 2009** | | **1,421** | **52,882** | **100,000** | **42,321** | **6,410** | **203,034** |
| **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 | | 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 |
| Treasury stock | | | | | | | |
| Stock options effects | 2.4 | 0 | 0 | 0 | 2,080 | 0 | 2,080 |
| 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** |

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

# 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 Supervisory Board on 27 January 2011.

## 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, 2010, 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 non cash accounting charge for Stock options " 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, 2010:*

- Annual improvements procedure – IFRS 2009
- IFRS 3 (Revised and consequential amendments), 'Business combinations'. The revised IFRS 3 recommends the use of the acquisition method for business combinations and is significantly different from the previous standard. All price adjustments to the purchase a business are to be classified as recorded at fair value at the acquisition date. After a period of 12 months, any adjustments will be booked in the income statement.
  In case of contingent liabilities, there are two possibilities:
  If the change of estimate result from facts and circumstances born at acquisition time and is during the allocation period, any adjustments of assets or liabilities will be booked in the goodwill.
  In all other cases and particularly if the change of estimates results from events post-closing (objective based on results, or linked to the share price…), any adjustment on the fair value will be booked in net profit or OCI.

  Taking control of a subsidiary by step-acquisition conditions the recognition of a gain/ loss on the percentage already owned or the loss of control generates the recognition of a gain/ loss on the percentage still held. These different elements increase the volatility on the net profit of the Group.
  There is a choice on an acquisition-by-acquisition basis to measure the full or partial goodwill. Transaction costs should be booked as expenses. The Group has applied the revised IFRS 3 prospectively to business combinations since 1st January 2010.
- IAS 27 (Revised and consequential amendments), 'Consolidated and separate financial statements', requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when the control is lost.
- IAS 39 (Amendment), 'Financial instruments'
- IFRS 2 (Amendment), 'Group cash-settled share-based payment transactions'
- IFRS 7 (Amendments linked to IFRS 3R), 'Financial Instruments: Disclosures'
- IFRIC 16, 'Hedges of a net investment in a foreign operation'
- IFRIC 17, 'Distribution of non-cash assets to owners'
- IFRIC 18, 'Transfers of assets from customers'

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

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

- IAS 24 (Revised), 'Related party disclosures'

- IAS 32 (Amendment), 'Financial instruments Presentations – classification of right issues''
- IFRS 7 (Amendment), 'Financial instruments disclosures'
- IFRS 8 (Amendment), linked to IAS 24 Revised
- IFRIC 14 (Amendment), 'Prepayments of a minimum funding requirements'
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

### 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.

In 2009, purchases from Non controlling interests resulted in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

In 2010, 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. Gain 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 2009 and 2010, 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.

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 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 to 5 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 are not amortised as they are deemed to have an indefinite life, revised periodically in case of impairment (decrease in sales or brand no longer used).

**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 8-50 years
- Machinery and laboratory equipment 5-10 years
- Office equipment, furniture and vehicles 3-8 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 useful life of the asset or the lease term.

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.

**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.

**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. 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.

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 Eurofins 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 Frankfurt Freiverkehr 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, the Finance Act of December 31, 2009 replaced local business tax with two new taxes as from 2010:

- The "Cotisation foncière des entreprises" (CFE) based on the value of real properties;
- The "Cotisation sur la Valeur Ajoutée des Entreprises" (CVAE), based on the added value reported in the statutory accounts.

The Group reviewed the accounting treatment for CVAE. As it is based on the value added, the Group considers that it meets the definition of income tax provided by IAS 12. A non material deferred tax is recorded on temporary differences related to assets and liabilities balance sheet items included within the CVAE tax base. As from 2010, the total amount of the current and deferred CVAE tax expense is presented on the Income tax expense line of the consolidated income statement.

**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 (<u>percentage of completion method</u>). 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 (<u>completed contract method</u>) 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 (Note 1.18).

In May 2007, the Group issued subordinated hybrid bonds for a par value of € 100m. (Note 1.19).

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. Eurofins has also repurchased its 2006 Bonds for an aggregate principal amount of € 70.3m (Note 1.18).

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.

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 2010 and 2009 were as follows:

| € Thousand | 2010 | 2009 |
|---|---|---|
| | | |
| Net debt (Note 3.9) | 169,214 | 183,715 |
| Total equity | 230,691 | 203,034 |
| Gearing ratio | 0.7 | 0.9 |

*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 31/12/2010 stands at 1.5 times EBITDA (2.0x in 2009), 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<br>Contractual obligations | Total | Up to 1 year | 1-5 years | Over 5 years |
|---|---|---|---|---|
| **Year 2009** | | | | |
| Long term debt | 111,567 | 17,055 | 94,512 | - |
| Lease obligations | 6,345 | 3,574 | 2,771 | - |
| OBSAAR | 118,057 | - | 118,057 | - |
| Account payable on investment | 21,962 | 1,359 | 20,292 | 311 |
| Derivative financial instruments | 4,455 | - | 4,455 | - |
| Interest due | 482 | 482 | - | - |
| Earnings to be paid to hybrid capital investors | 4,938 | 4,938 | - | - |
| Trade accounts payable | 50,558 | 50,558 | - | - |
| Total | 318,364 | 77,966 | 240,087 | 311 |
| | | | | |
| **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 |

As at December 31, 2010 Cash and cash equivalents and bank overdrafts stands at € 96,316 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 40% 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.

**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 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 31 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 | 2010 | 2009 |
|---|---|---|
| Cost for consumables and external subcontracted services | 106,261 | 105,836 |
| Logistics, transportation and equipment costs | 54,113 | 51,148 |
| Other personnel costs (mainly travelling expenses) | 23,857 | 23,554 |
| Building costs | 40,975 | 40,141 |
| Legal, insurance and communication costs | 28,375 | 30,068 |
| Total | 253,581 | 250,747 |

### 2.2 Personnel expenses

| € Thousand | 2010 | 2009 |
|---|---|---|
| Wages and salaries | 272,424 | 268,119 |
| Temporary personnel costs | 4,796 | 4,236 |
| Social security costs and Pension costs | 49,386 | 42,878 |
| Pension accrual (Note 3.15) | 996 | 160 |
| Personnel costs | 327,602 | 315,393 |

| Weighted average Full Time Equivalents (FTE)* | 2010 | 2009 |
|---|---|---|
| Benelux | 713 | 761 |
| France | 1,437 | 1,405 |
| Germany | 1,863 | 1,725 |
| North America | 622 | 629 |
| Scandinavia | 1,128 | 1,245 |
| British Isles | 424 | 482 |
| Other European Countries | 655 | 655 |
| Other Countries | 380 | 290 |
| Total FTE | 7,222 | 7,192 |

* 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 8,072 employees (8,100 in 2009).

### 2.3 Other operating income and expenses, net

| € Thousand | 2010 | 2009 |
|---|---|---|
| Operating grant | 269 | 171 |
| Other income | 3,255 | 5,347 |
| Production of own intangible assets (Software - LIMS) | 4,364 | 3,939 |
| Bad debt (including allowance) | -699 | -1,162 |
| Other | 87 | 142 |
| Disposal/ write off of fixed assets | -1,182 | -5,113 |
| Losses/ gains on the disposal of subsidiaries | 842 | -306 |
| Badwill | 0 | 109 |
| One-off/reorganisation costs | -12,921 | -18,162 |
| Total | -5,985 | -15,035 |

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

For 2010, mainly:

- The consolidation and disposal of a number of sites in Norway (especially in Oslo 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.

For 2009, mainly:

- The consolidation and disposal of a number of sites in Scandinavia, including sale of the Labnett business in Norway, which was forced by the Norwegian competition authorities;
- The closure cost of Eurofins' Netherlands Oosterhout Environment testing site, now being consolidated into the expanded and modernised Barneveld site, as a result of overlapping and superfluous tests;
- The discontinuation of the Viralliance business in Kalamazoo, USA as a result of disputes regarding certain of its intellectual property assets. Eurofins is involved in legal proceedings with BioAlliance S.A., the seller of that business, for non-disclosure of purported IP infringements but as of today no certainty exists as to the recoverability of these damages;
- Closure/ consolidation cost of sites serving industries which were severely affected by the recession in Germany;

And for 2009 and 2010:

- Other smaller site consolidation costs throughout Europe, closure of non-core activities associated with recent acquisitions and the programme to bring all Group laboratories up to standards.

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

### 2.4 Non cash accounting charge for stock options

| € Thousand | 2010 | 2009 |
|---|---|---|
| Non cash accounting charge for stock options | 2,266 | 2,237 |
| Income taxes | -186 | -113 |
| Cash Flow effect | 2,080 | 2,124 |

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 3.34% was used for the 2010 plan. The volatility measured is based on statistical analysis of daily share prices over the last year (2010: 39.5%).

| Plan | Number of stock options | Average expected option period | Average subscription price | Weighted average fair value of options |
|---|---|---|---|---|
| 18-12-2003 | 215,400 | 5 | 9.8 | 3.67 |
| 01-02-2005 | 26,650 | 4.5 | 18.77 | 5.78 |
| 01-02-2005 | 78,400 | 4 | 18.77 | 5.41 |
| 01-02-2005 | 39,500 | 7.5 | 18.77 | 7.69 |
| 29-08-2005 | 68,500 | 6 | 27.8 | 11.46 |
| 10-01-2006 | 5,500 | 4.5 | 37.97 | 13.45 |
| 18-09-2006 | 152,407 | 4.5 | 50 | 16.70 |
| 20-07-2007 | 150,330 | 4.5 | 66 | 23.37 |
| 17-07-2008 | 84,475 | 5.5 | 51.08 | 22.62 |
| 17-07-2008 | 84,475 | 6 | 51.08 | 23.66 |
| 18-12-2008 | 17,005 | 5.5 | 31.62 | 14.00 |
| 18-12-2008 | 17,005 | 6 | 31.62 | 14.65 |
| 05-01-2009 | 58,350 | 5 | 32.60 | 12.92 |

| Plan | Number of stock options | Average expected option period | Average subscription price | Weighted average fair value of options |
|---|---|---|---|---|
| 05-01-2009 | 58,350 | 6 | 32.60 | 14.18 |
| 10-11-2009 | 76,700 | 5 | 31.88 | 13.29 |
| 10-11-2009 | 76,700 | 6 | 31.88 | 14.54 |
| 31-08-2010 | 82,200 | 5 | 36.62 | 14.51 |
| 31-08-2010 | 82,200 | 6 | 36.62 | 15.90 |
| 05-10-2010 | 6,225 | 5 | 37.06 | 14.68 |
| 05-10-2010 | 6,225 | 6 | 37.06 | 16.09 |

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

**2.5 Financial result**

| € Thousand | 2010 | 2009 |
|---|---|---|
| Financial income | 909 | 2,339 |
| Interest expense | -4,769 | -7,587 |
| OBSAAR interest | -6,662 | -5,270 |
| Net foreign exchange gain/ loss | -356 | -60 |
| DCF charge on Account payable on investment | -1,157 | -1,673 |
| DCF charge on OBSAAR bonds costs | -679 | -282 |
| Variation of the fair value of financial instrument | 0 | 0 |
| Total | -12,714 | -12,533 |

**2.6 Income tax**

| € Thousand | 2010 | 2009 |
|---|---|---|
| Current tax | -10,023 | -12,081 |
| Deferred tax (Note 3.17) | -810 | 2,878 |
| Total | -10,833 | -9,203 |

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 | 2010 | 2009 |
|---|---|---|
| Result before income tax | 36,176 | -2,082 |
| Tax calculated at domestic rates applicable to profits in the respective countries | -10,899 | -1,297 |
| Tax impact on non deductible expenses or not taxable income or income taxed at a reduced tax rate | +7,106 | +6,732 |
| Tax impact on result equity method | +52 | +46 |
| Tax impact on expenses deductible not accounted | +6 | +3,510 |
| Tax impact on tax losses not capitalised | -8,921 | -18,306 |
| Tax impact on tax losses not capitalised but born before acquisition (Note 3.2, Goodwill) | | +1,581 |
| Utilisation of previously unrecognised tax losses | +2,132 | +7 |
| Tax impact on tax losses used and lost | -51 | 0 |
| Adjustment in respect of prior years | -209 | -1,476 |
| Minimum Income tax | -75 | 0 |
| Tax credit | 26 | 0 |
| Tax charge | -10,833 | -9,203 |

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

Adjustment in respect of prior years in 2009 corresponds mainly to tax adjustments related to a tax control in Germany.

## 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 2009** | | | | | |
| Opening net book amount | 5,745 | 42,665 | 68,220 | 12,359 | 128,989 |
| Exchange differences | -164 | -124 | 960 | 176 | 848 |
| Change of scope | 24 | 1,325 | 5,392 | 375 | 7,116 |
| Additions | -1,058[1] | 12,499 | 19,465 | 7,129 | 38,035 |
| Disposals | 0 | -3,412 | -1,832 | -701 | -5,945 |
| Depreciation charge | 0 | -6,383 | -22,134 | -5,524 | -34,041 |
| Closing net book amount | 4,547 | 46,570 | 70,071 | 13,814 | 135,002 |
| | | | | | |
| Cost or valuation | 4,547 | 83,568 | 226,371 | 45,711 | 360,197 |
| Accumulated depreciation | 0 | -36,998 | -156,300 | -31,897 | -225,195 |
| Net book amount at 31 December 2009 | 4,547 | 46,570 | 70,071 | 13,814 | 135,002 |
| | | | | | |
| **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 |

[1] This negative amount represents a reallocation amount from “fixed assets in progress" to "laboratory equipment” 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 | 2010 | 2009 |
|---|---|---|
| Capitalised cost of finance leases | 12,825 | 12,938 |
| Accumulated depreciation | -9,420 | -7,556 |
| Net book amount | 3,405 | 5,382 |

### 3.2 Intangible assets

| **Other intangible assets** € Thousand | Customer relationships | Brand | Software * | Other intangible assets | Total |
|---|---|---|---|---|---|
| **Year 2009** | | | | | |
| Opening net book amount | 12,220 | 4,540 | 9,516 | 260 | 26,536 |
| Exchange differences | 48 | 0 | -57 | 1 | -8 |
| Change in consolidation scope | 2,684 | 433 | 24 | 1 | 3,142 |
| Additions | 0 | 0 | 7,325 | 275 | 7,600 |
| Disposals | 0 | 0 | -106 | -231 | -337 |
| Impairment | -884 | -184 | 0 | 0 | -1,068 |
| Amortisation charge | -1,234 | 0 | -4,496 | -192 | -5,922 |
| Closing net book amount | 12,834 | 4,789 | 12,206 | 114 | 29,943 |
| | | | | | |
| Cost | 16,444 | 4,973 | 41,730 | 3,433 | 66,580 |
| Accumulated amortisation at 31/12/2009 | -3,610 | -184 | -29,524 | -3,319 | -36,637 |
| Net book amount | 12,834 | 4,789 | 12,206 | 114 | 29,943 |
| | | | | | |
| **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 at 31/12/2010 | -4,684 | 0 | -21,991 | -1,504 | -28,179 |
| Net book amount | 11,760 | 4,789 | 13,514 | 146 | 30,209 |

***Software, including software in progress**

| Goodwill<br>€ Thousand | 2010 | 2009 |
|---|---|---|
| Opening net book amount | 239,313 | 242,416 |
| Exchange differences | 8,859 | 3,222 |
| Change in consolidation scope | -1,802 | -935 |
| Reduction of goodwill [1] | 0 | -1,581 |
| Impairment / Amortisation charge | 0 | -3,809 |
| Closing net book amount | 246,370 | 239,313 |
| Cost | 258,549 | 251,628 |
| Accumulated amortisation | -12,179 | -12,315 |
| Net book amount | 246,370 | 239,313 |

[1] Under IFRS 3 (before revision) an income tax profit accounted for during the period, based on the pre-acquisition loss carried forward of acquired companies, has been offset by an equal reduction of Goodwill for an amount of € 1,581 K (Note 2.6) on the German Cash Generating Unit in 2009.

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: € 1,375 K,
- Adjustments of previous goodwill under IFRS 3 (before revision): € -658 K,
- Change in goodwill in progress: € - 2,315 K (transaction with Non controlling interests),
- De-consolidation: € - 204 K.

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 € 6,124 K at December 31, 2010.

During the 2009 financial period an impairment of the Customer relationship, Brand and Goodwill for € 4,877 K were booked (Goodwill € 3,809 K; Customer relationship and Brands € 1,069 K). These mainly concerned 2 companies, one in the UK in the environmental sector and one in Germany in Product testing.

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, Scandinavia, British Islands, Other European countries and Rest of the world.

| Key ratios used by the Group are as follows : | 2010 |
|---|---|
| Discount rate after tax | 8% |
| Beta | 1.5 |
| Risk free interest rate | 2.4% |
| Organic perpetual growth rate | 5% |

The EBITAS used is between 6% and 15% depending on geographic areas for 2011, 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).

As at 31st December 2010, the values in use represent between two and four the net book values for each CGU.

| | NBV[1] / Revenues | Value in use / NBV |
|---|---|---|
| Benelux | 0.32 | 2.9 |
| France | 0.28 | 3.6 |
| Germany | 0.38 | 4.2 |
| North America | 0.39 | 2.9 |
| Scandinavia | 0.57 | 2.7 |
| British Isles | 0.39 | 2.1 |
| Other European countries | 0.34 | 3.8 |
| Rest of the world | 0.21 | 3.6 |

[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 | 2010 | 2009 |
|---|---|---|
| Opening net book amount | 0 | 600 |
| Exchange differences | 0 | 0 |
| Disposal | 0 | -600 |
| Amortisation charge | 0 | 0 |
| Closing net book amount | 0 | 0 |

In 2009, the Group sold its building in Katwijk in The Netherlands.
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 | 2010 | 2009 |
|---|---|---|
| Opening net book amount | 2,260 | 2,157 |
| Exchange differences | 219 | -29 |
| Change of scope | 13 | 0 |
| Acquisition | 0 | 7 |
| Disposals | -5 | -42 |
| Dividends received | -47 | -44 |
| Share of (loss)/ profit of associates | 180 | 211 |
| Closing net book amount | 2,620 | 2,260 |

| Main associate undertakings:<br>€ Thousand | 2010<br>FASMAC Co. Ltd | 2009<br>FASMAC Co. Ltd |
|---|---|---|
| Revenues | 7,132 | 6,454 |
| Net profit | 815 | 372 |
| Total Assets | 6,976 | 5,737 |
| Equity | 3,864 | 3,091 |
| % interest held | 41.33% | 41.33% |

### 3.5 Financial assets, trade and other receivables

| € Thousand | 2010 | 2009 |
|---|---|---|
| Opening net book amount | 5,487 | 5,219 |
| Exchange differences | 81 | -14 |
| Change of scope | 1,163 | 21 |
| Increase | 121 | 734 |
| Decrease | -82 | -473 |
| Closing net book amount | 6,770 | 5,487 |

| € Thousand | 2010 | 2009 |
|---|---|---|
| Lease deposits | 5,820 | 5,487 |
| Deposits in escrow | 950 | 0 |
| Loans | 0 | 0 |
| Closing net book amount | 6,770 | 5,487 |

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

The deposits in escrow is linked to the sale the business of French agronomy business, € 950K will be available after the sale contract finalisation.

### 3.6 Inventories

| € Thousand | 2010 | 2009 |
|---|---|---|
| Total consumables | 8,389 | 7,769 |

### 3.7 Trade accounts receivable

| € Thousand | 2010 | 2009 |
|---|---|---|
| Trade accounts receivable – gross | 133,703 | 126,421 |
| Accrued sales | 7,827 | 6,105 |
| Amounts due by clients for analysis in progress | 19,289 | 19,761 |
| Provision for impairment of receivables | -6,832 | -6,989 |
| Total | 153,987 | 145,298 |

| Change in allowance for bad debt € Thousand | 2010 | 2009 |
|---|---|---|
| Opening net book amount | 6,989 | 6,307 |
| Exchange differences | 116 | 58 |
| Change of scope | 72 | 940 |
| Increase | 1,039 | 2,175 |
| Decrease | -1,384 | -2,491 |
| Closing net book amount | 6,832 | 6,989 |

The Group aging balance as at 31/12/2010 is as follows:

| € Thousand | 2010 | % |
|---|---|---|
| Below five months after invoicing date | 124,018 | 93% |
| Over five months after invoicing date | 9,685 | 7% |
| Total | 133,703 | 100% |

### 3.8 Prepaid expenses and other current assets

| € Thousand | 2010 | 2009 |
|---|---|---|
| Prepayments & Prepaid expenses | 5,674 | 5,788 |
| Other receivables | 16,053 | 15,038 |
| Total | 21,727 | 20,826 |

### 3.9 Cash and cash equivalents and bank overdrafts/ Net debt

| € Thousand | 2010 | 2009 |
|---|---|---|
| Marketable securities | 26,623 | 5,439 |
| Cash in hand | 80,881 | 48,921 |
| Cash & cash equivalents | 107,504 | 54,360 |
| Bank overdrafts | -11,188 | -2,106 |
| Cash and cash equivalents and bank overdrafts | 96,316 | 52,254 |

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 | 2010 | 2009 |
|---|---|---|
| Borrowings | 54,874 | 120,018 |
| OBSAAR | 221,844 | 118,057 |
| Cash and cash equivalents | -107,504 | -54,360 |
| Net debt | 169,214 | 183,715 |

### 3.10 Borrowings

| € Thousand Variation of borrowings | 2010 | 2009 |
|---|---|---|
| At beginning of year | 117,912 | 166,829 |
| Exchange differences | 671 | 237 |
| Change of scope | 506 | 3,437 |
| Proceeds from borrowings | 1,448 | 12,268 |
| Repayment of borrowings | -76,851 | -64,859 |
| At end of year | 43,686 | 117,912 |
| Bank overdrafts | 11,188 | 2,106 |
| Total Borrowings | 54,874 | 120,018 |

| € Thousand Analysis of borrowings | 2010 | 2009 |
|---|---|---|
| Bank borrowings | 8,950 | 17,055 |
| Conditional advances | 0 | 0 |
| Bank overdrafts | 11,188 | 2,106 |
| Short term debt and current portion of LT debt | 20,138 | 19,161 |
| Lease liabilities | 1,802 | 3,574 |
| Total current borrowings [1] | 21,940 | 22,735 |
| | | |
| Bank borrowings | 31,157 | 94,512 |
| Conditional advances | 0 | 0 |
| LT debt, less current portion | 31,157 | 94,512 |
| Lease liabilities | 1,777 | 2,771 |
| Total non-current borrowings | 32,934 | 97,283 |
| | | |
| Total borrowings | 54,874 | 120,018 |

[1] Thereof:

- Bank overdrafts: € 11,188 K (short term but renewable);
- Finance lease: € 1,802 K (repayable monthly);
- Bank loans: About € 2.2 million can be classified as 3 months maturity, € 3 million as 6 months maturity and € 3.7 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 | 2010 | 2009 |
|---|---|---|
| At beginning of year | 118,057 | 119,095 |
| Change of scope | 0 | 0 |
| Proceeds from the OBSAAR bonds (net income) | 173,400 | 0 |
| Repayment of the OBSAR bonds | -70,291 | -1,320 |
| Expenses | 678 | 282 |
| At end of year | 221,844 | 118,057 |
| | | |
| Current | 16,130 | 0 |
| Non-current | 205,714 | 118,057 |
| Total | 221,844 | 118,057 |

### 3.12 Hybrid capital

| € Thousand | 2010 | 2009 |
|---|---|---|
| At beginning of year | 100,000 | 100,000 |
| Proceeds from the Hybrid capital | 0 | 0 |
| Repayment of the Hybrid capital | 0 | 0 |
| At end of year | 100,000 | 100,000 |

The distribution for the year before tax was € 8,081 K (January – December 2010) and has been accounted for before tax in equity in retained earnings as the relevant tax unity results is not sufficient.

### 3.13 Other current liabilities

| € Thousand | 2010 | 2009 |
|---|---|---|
| Tax and social security payables | 30,770 | 29,737 |
| Tax and social accruals | 40,902 | 33,370 |
| Other debt | 1,004 | 1,309 |
| Other payables | 8,966 | 9,080 |
| Operating other current liabilities | 81,642 | 73,494 |
| Interest due | 434 | 482 |
| Earnings to be paid to hybrid capital investors | 4,938 | 4,938 |
| Total | 87,014 | 78,914 |

### 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 | 2010 | 2009 |
|---|---|---|
| At beginning of year | 21,962 | 39,859 |
| Exchange differences | 689 | 200 |
| Change of scope – net of amount paid | -6,433 | -19,770 |
| Discounted cash flow charge (Note 2.5) | 1,157 | 1,673 |
| At end of year | 17,375 | 21,962 |
| Current | 6,132 | 1,359 |
| Non-current | 11,243 | 20,603 |
| Total | 17,375 | 21,962 |

The change of scope corresponds for a part to

- payments of the period: € 2,514 K,
- decrease of the debt on previous goodwill under IFRS 3 (before revision): € 820 K,
- the re-evaluation (decrease) of the debt on Goodwill in progress: € 3,099 K.

The discount rate used in 2010 is 3.5%.

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

| € Thousand | 2010 | 2009 |
|---|---|---|
| Between 1 and 5 years | 10,785 | 20,292 |
| Over 5 years | 458 | 311 |
| Total non-current | 11,243 | 20,603 |

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 | 2010 | 2009 |
|---|---|---|
| Part of the account payable on investment related to the transaction with Non controlling interests | 12,401 | 14,384 |

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 | 2010 | 2009 |
|---|---|---|
| At beginning of year | 12,411 | 11,776 |
| Exchange differences | 575 | 354 |
| Change of scope | 208 | 121 |
| Annual expense | 1,689 | 1,603 |
| Release due to change in obligation | -243 | -358 |
| Contributions paid | -322 | -1,085 |
| At end of year | 14,318 | 12,411 |

| € Thousand<br>The amounts recognised in the balance sheet are determined as follows: | 2010 | 2009 |
|---|---|---|
| Present value of funded obligations | 19,793 | 14,502 |
| Fair value of plan assets | -2,291 | -1,644 |
| Present value of unfunded obligations | 17,502 | 12,858 |
| Unrecognised actuarial gains (losses) | -3,184 | -448 |
| Amortisation of the actuarial gains (losses) | 0 | 0 |
| Pension liability in the balance sheet | 14,318 | 12,411 |

The amounts recognised in the income statement are determined as follows:

| € Thousand | 2010 | 2009 |
|---|---|---|
| Current service cost | 758 | 877 |
| Interest cost | 792 | 373 |
| Expected return on plan assets | -100 | -77 |
| Actuarial gain (loss) recognised in the year | 106 | 5 |
| Amortisation of the actuarial gains (losses) | 106 | 32 |
| Release of pension accrual | 0 | -87 |
| Additional charges | 27 | 480 |
| Total | 1,689 | 1,603 |

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

| | Range |
|---|---|
| Discount rate | From 3.6% to 4.7% |
| 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 and The Netherlands assets to fund the pension obligations.

### 3.16 Provisions for other liabilities and charges

| € Thousand | Focusing resources | Charges | Total |
|---|---|---|---|
| At 1/1/2009 | 3,388 | 4,177 | 7,565 |
| Exchange differences | -34 | 4 | -30 |
| Change of scope/ Reclassification | -488 | 13 | -475 |
| Additional provisions | 12,086 | 2,166 | 14,252 |
| Utilised during year | -1,144 | -1,223 | -2,367 |
| Unused amounts reversed | -193 | -257 | -450 |
| At 31/12/2009 | 13,615 | 4,880 | 18,495 |

| € 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 |

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

Focusing resources in competence centres
The additional provisions are mainly related to costs due to closing sites and the focusing of resources, mainly in Norway, France and Denmark (mainly rental of empty sites).

Charges
These provisions are mainly related to litigation with suppliers and customers, mainly in Germany and in North America.

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

| In Million | 2010 |
|---|---|
| Up to one year | 10.4 |
| 1 to 5 years | 5.9 |
| Over 5 years | 1.6 |
| Total | 17.9 |

### 3.17 Deferred income taxes

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

| € Thousand | 2010 | 2009 |
|---|---|---|
| At beginning of year | 8,516 | 8,335 |
| Exchange differences | 936 | 123 |
| Change of scope | -1,740 | -1,636 |
| Reclassification to Corporate tax due | 0 | -1,148 |
| Deferred taxes on net investments | -752 | -36 |
| Deferred tax on BSAAR | -158 | 0 |
| Income statement/ charge (Note 2.6) | -810 | 2,878 |
| At end of year | 5,992 | 8,516 |

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

| € Thousand | 2010 | 2009 |
|---|---|---|
| Deferred tax assets | 17,278 | 15,643 |
| Deferred tax liabilities | -11,286 | -7,127 |
| Total | 5,992 | 8,516 |

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 € 110m, 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 € 84m carry-forward tax losses, not capitalised at Group level.

At 31 December, 2010, the deferred tax liabilities corresponds mainly to the tax effect on the treatment on the goodwill tax deductible for an amount of € 5.8 m, customer relationship and brand for an amount of € 5.8 m. The other temporary differences correspond to the tax effect on discounted account payable on investment and accruals income.

At 31 December, 2010, the deferred tax assets corresponds mainly to the tax effect on the losses carry forward capitalised for an amount of € 13.0 m, the tax effect on Pension accrual for an amount of € 1.4 m and the tax effect on temporary differences on the fixed assets for an amount of € 2.4 m.

### 3.18 Change in net working capital

| € Thousand | 2010 | 2009 |
|---|---|---|
| Change in: | | |
| Trade accounts receivable | -8,689 | 3,868 |
| Inventories | -620 | 404 |
| Prepaid expenses and other current assets | -901 | -3,935 |
| Trade accounts payable | 4,372 | -6,246 |
| Advance payments received and deferred revenues | -2,174 | -1,044 |
| Other current liabilities | 8,147 | 8,065 |
| Total | 135 | 1,112 |
| Change of scope – current assets | 1,847 | 1,597 |
| Change of scope – current liabilities | 352 | -2,387 |
| Exchange differences | -284 | -2,042 |
| Total | 2,050 | -1,720 |

### 3.19 Business combinations

During 2010 the Company acquired new companies and carried out outsourcing/ asset deals (List in Note 5.1).

The Group acquired the companies "Galys" (103 employees), Ascal (143 employees) in the third quarter of the year, strengthening the food and environmental testing operations in France and a small laboratory in Belgium in December (20 employees).

All the 2010 acquisitions have no relevant impact on the comparability of the financial statements.

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

| € Thousand | 2010 | 2009 |
|---|---|---|
| Property, plant and equipment | -2,586 | -7,116 |
| Intangible assets | 42 | -25 |
| Goodwill | 1,802 | 935 |
| Customer relationships and brands | 0 | -3,117 |
| Investments | -13 | 0 |
| Financial assets | -1,163 | -21 |
| Current assets excluding Cash | -1,847 | -1,597 |
| Corporate tax receivable | -2,439 | 58 |
| Cash | -823 | -1,055 |
| Current liabilities | -352 | 2,387 |
| Corporate taxes due | 1,534 | 15 |
| Negative Goodwill | 0 | 109 |
| Equity | -1,168 | 0 |
| Losses/ gains on the disposal of subsidiaries | 842 | -306 |
| Non controlling interest | -440 | 2,119 |
| Borrowings | 506 | 3,437 |
| Account payable on investment | -6,433 | -19,770 |
| Pension accrual | 208 | 121 |
| Provisions for risks | 470 | -475 |
| Deferred income taxes | 1,740 | 1,636 |
| Total purchase/ sale price | -10,120 | -22,665 |
| Less cash | 823 | 1,055 |
| Cash outflow on change of scope | -9,297 | -21,610 |
| Divided into: | | |
| Cash outflow on acquisition | -9,226 | -22,247 |
| Proceeds from disposals of a subsidiary, net of cash transferred | -71 | 637 |

The cash outflow on acquisition concerns both acquisitions for 2010 and previous years.

In 2009 € 109 K negative goodwill was accounted to CGU « Other – rest of the world » CGU.

The total acquired business contributed revenues of € 7.3 million and EBITAS related to acquisitions of € 0.1 million for 2010. If the effective dates of these acquisitions would have been 1 January 2010, Group revenues would have been increased by an additional € 12 million and EBITAS related to acquisitions would have been close to breakeven.

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 | 2010 | 2009 |
|---|---|---|
| Purchase price paid in 2010 | 10,131 | 23,313 |
| Acquisition price payments in Eurofins shares | 0 | 0 |
| Account payable on investment (paid or released) for current and previous years | -6,433 | -19,770 |
| Acquisition costs relating to the acquisition | 0 | -10 |
| Total Purchase consideration | 3,698 | 3,533 |
| Fair value of net assets acquired | -5,295 | -3,451 |
| Goodwill (Note 3.2) | -1,597 | 81 |

The goodwill and intangibles related to the acquisitions of Galys Group and Ascal amounts € 0.5 million and € 0.7 million respectively, the fixed & financial assets € 1.6 million and € 1.5 million, the trade accounts receivables € 0.1 million and € 3.6 million, the suppliers € 0.0 million and € 1.0 million and the other liabilities € 0.3 million and € 2.1 million.

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

In 2010 the proceeds from disposals correspond to the deconsolidation of some small companies (Note 5.1); impact

- Cash (€ -71 K),
- Goodwill (€ -204 K - Note 3.2).

### 3.20 Shareholders equity

The share capital is composed of 14,289,857 shares of € 0.10 each. The allotted, called-up and fully paid capital is therefore € 1,429 K.

The shares holders equity has raised by € 1,451 K due to the exercise of stock options by employees (84,633 new shares have been issued) and 700 new shares by exercise of partial & optional acquisition price payments in Eurofins shares.

On the period, a dividend for an amount of €0.10 per share for an amount of €1,420 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 eight main geographical areas. These are Benelux, France, Germany, North America, Scandinavia, British Isles (United Kingdom + Republic of Ireland), Other European Countries and Other countries (rest of the world).

| € Thousand<br>Revenues | 2010 | 2009 |
|---|---|---|
| Benelux | 73,164 | 77,282 |
| France | 134,668 | 122,266 |
| Germany | 158,635 | 144,961 |
| North America | 68,325 | 64,603 |
| Scandinavia | 135,593 | 134,643 |
| British Isles | 41,428 | 38,094 |
| Other European | 47,651 | 44,704 |
| Rest of the world | 20,869 | 13,520 |
| Total | 680,333 | 640,073 |

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<br>Total Assets | 2010 | 2009 |
|---|---|---|
| Benelux | 65,441 | 61,910 |
| France | 121,011 | 124,382 |
| Germany | 190,080 | 173,593 |
| North America | 62,581 | 51,284 |
| Scandinavia | 135,109 | 124,759 |
| British Isles | 50,232 | 46,150 |
| Other European | 83,278 | 52,597 |
| Rest of the world | 28,429 | 24,624 |
| Total | 736,161 | 659,299 |

| € Thousand<br>Capital expenditure | 2010 | 2009 |
|---|---|---|
| Benelux | 3,914 | 2,634 |
| France | 2,914 | 8,066 |
| Germany | 11,032 | 15,506 |
| North America | 5,429 | 4,872 |
| Scandinavia | 4,695 | 5,751 |
| British Isles | 4,124 | 5,538 |
| Other European | 3,669 | 452 |
| Rest of the world | 3,416 | 4,998 |
| Total | 39,193 | 47,817 |

Capital expenditure includes the purchase of property, plant, equipment (€ 34,061 K) and intangible assets (€ 6,935 K) and the change of scope for goodwill, brand name and customer relationship (€ -1,802 K).

### 4.2 Contractual obligations and other commercial commitments

<u>Contingent liabilities over borrowings (Note 3.10 & 3.11)</u>
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 | 2010 | 2009 |
|---|---|---|
| Bank borrowings secured over building and assets * | 10,783 | 19,072 |
| Leases secured over building and assets ** | 3,686 | 5,868 |
| Bank borrowings secured by covenants & assets | 0 | 0 |
| Bank borrowings & OBSAAR secured by covenants | 248,015 | 207,524 |
| Total | 262,484 | 232,464 |

* 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.

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

Security over the part of the shares in four subsidiaries of Eurofins Scientific GmbH for the benefit of NordLB, in connection with credit lines of € 990 K.

<u>Bank borrowings secured by covenants</u>
The Group respects the covenants of its relevant lines of credit at 31 December 2010.

The Group's other contractual obligations and commercial commitments as of 31 December, 2010 comprise (not shown in the balance sheet):

| € Thousand<br>Other contractual obligations given | Total | Up to 1 year | 1-5 years | Over 5 years |
|---|---|---|---|---|
| Operating leases * | 128,899 | 23,910 | 62,072 | 42,917 |
| *- Buildings* | *122,611* | *20,884* | *58,829* | *42,898* |
| *- Equipments & cars* | *6,288* | *3,026* | *3,243* | *19* |
| Irrevocable purchase obligations | 218 | 218 | - | - |
| Other long term obligations | - | - | - | - |
| Total | 129,117 | 24,128 | 62,072 | 42,917 |

* Future aggregate minimum lease payments, non cancellable (operating leases), gross (not 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<br>Other commercial commitments | Total | Up to 1 year | 1-5 years | Over 5 years |
|---|---|---|---|---|
| Credit lines | - | - | - | - |
| Letters of credit | - | - | - | - |
| Guarantees given related to financing | 11,334 | 11,324 | 0 | |
| Guarantees given related to acquisition | 7,818 | 0 | 7,818 | |
| Repurchase commitments | - | - | - | - |
| Other commercial commitments | - | - | - | - |
| Total given | 19,142 | 11,324 | 7,818 | - |
| Guarantees received | -29,067 | -29,067 | - | - |
| Total provided | -9,925 | -17,743 | 7,818 | - |

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 a foreign currency hedge agreement with the company Eurofins Finance SA related to a loan from Eurofins Finance SA to Eurofins Genomics BV at an FX rate to USD of 1.4828. The impact of this agreement is an exchange gain of € 1,964 K for Eurofins Scientific SE.
- 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 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 4,680 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 12.8% 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 :
    - o A consideration “Abfindung” with the meaning of sec. 305 German Stock Corporation Act (“AktG”)
    - o A compensation “Ausgleich” with the meaning of sec. 304 AktG

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

- Eurofins Scientific SE has signed a loan agreement with the company MWG Biotech AG. This convention is guaranteed by the Norddeutsche Landesbank Girozentrale bank, at first demand in favour of MWG Biotech AG, for an amount of € 7,000 K.
- Eurofins Scientific SE has signed a loan agreement with the company GeneScan Europe AG. This convention is guaranteed by the Norddeutsche Landesbank Girozentrale bank, at first demand in favour of GeneScan Europe AG, for an amount of € 22,000 K.

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 2010 represents more than 110,000 hours. The number of hours used during the period represented roughly 800 to 1,000 hours.

**4.3 Exposure to interest rate risk and currency**

| € Thousand | 2010 | 2009 |
|---|---|---|
| Derivative financial assets | 0 | 0 |
| Derivative financial liabilities | -3,420 | -4,455 |
| Total net | -3,420 | -4,455 |

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, 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, 2010 is € 100m with a fixed rate of 3.8075% and € 100m with a compounded average fixed rate of 1.1737%.

The OBSAAR bonds 2006 and 2010 bear interest at a rate equal to the Euribor 3-month plus respectively a margin of 0.85% and 1.75% per annum, payable quarterly.

In addition, the Group concluded interest rate hedging contracts with deferred effective date for the period December 2010 to June 2017 for a total nominal amount comprised between € 50m and € 150m.

The fair value at 31 December 2010 of this swap is estimated at a liability of € 3,420 K. The counterpart has been accounted for in equity.

The financial instruments change over the year has been accounted for in equity as a positive amount of € 1,035 K.

| Interest rate | Notional principal value | Fair value (in € Thousand) Opening | Change | Closing |
|---|---|---|---|---|
| 3.8075% | 100,000 | -4,455 | 1,351 | -3,104 |
| 1.1737% | 100,000 | - | -316 | -316 |

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

| | 2010 | 2009 |
|---|---|---|
| Borrowings at a fixed interest rate | 78% | 47% |
| Borrowings at a floating interest rate | 22% | 53% |

Given the breakdown between fixed rate and floating rate assets and liabilities at December 31, 2010, a 1% increase or decrease in interest rates would have a full-year impact of € 577 K on results before income taxes.

| € Thousand | Rate | Up to 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Assets | Fixed | - | - | - | - |
| | Variable | 26,623 | - | - | 26,623 |
| Borrowing | Fixed | 3,882 | 3,499 | 457 | 7,838 |
| | Variable | 6,870 | 28,978 | - | 35,848 |
| OBSAAR | Fixed | 16,130 | 90,300 | 93,570 | 200,000 |
| | Variable | - | - | 21,844 | 21,844 |
| **Net exposition** | **Fixed** | **20,012** | **93,799** | **94,027** | **207,838** |
| | **Variable** | **33,493** | **28,978** | **21,844** | **84,315** |
| Hedge | Fixed | 16,130 | 90,300 | 93,570 | 200,000 |
| | Variable | - | - | - | - |
| **Exposition after hedge** | **Fixed** | **3,882** | **3,499** | **457** | **7,838** |
| | **Variable** | **33,493** | **28,978** | **21,844** | **84,315** |

Exposure to currency risk

At December 31, 2010, 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 | 85,120 | 51,748 | | 33,372 | | 33,372 |
| SEK | 79,732 | 57,631 | 4,680 | 17,421 | | 17,421 |
| NOK | 28,653 | 27,676 | | 977 | | 977 |
| USD | 124,360 | 101,612 | | 22,748 | | 22,748 |
| GBP | 75,759 | 46,382 | 4,680 | 24,697 | | 24,697 |
| Other | 35,054 | 21,005 | | 14,049 | | 14,049 |
| Total | 428,678 | 306,053 | 9,360 | 113,264 | | 113,264 |

A 1% increase or decrease in exchange rates would have an impact of € 1,226 K on the Group's equity and an impact on the Group's EBITAS of € 178 K.

### 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 | 2010 | 2009 |
|---|---|---|
| At beginning of the year | 930 | 772 |
| Options granted * | 126 | 201 |
| Options exercised | -85 | -43 |
| Options expired | -17 | 0 |
| At end of the year | 954 | 930 |

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

As at 31 December 2010, 954,099 stock options could still be exercised. Further details can be found in the "Management Report".

**BSAAR (Notes 1.18 et 3.11)**

Existing BSAAR are linked to:

- 2006 OBSAR Bonds (Note 3.11), of which 272,645 BSAR can still be exercised at a price of € 55 per share for 1 Eurofins share. Since its issue, 85 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 31 December, 2010, the overall number of Eurofins shares potentially deliverable is estimated at 12,440 shares.

**Detail of the weighted average shares outstanding (diluted)**

| In Thousand | 2010 | 2009 |
|---|---|---|
| Weighted average shares outstanding (basic) | 14,224 | 14,183 |
| Weighted average stock options | 954 | 875 |
| Number of potential shares by BSAR exercise | 347 | 273 |
| Partial and optional acquisition price payments in Eurofins shares | 12 | 26 |
| Weighted average shares outstanding (diluted) | 15,537 | 15,357 |

| In Thousand | 2010 |
|---|---|
| Weighted average shares outstanding (basic) | 15,537 |
| Stock options with exercise price above the 2010 average share price | -331 |
| Number of potential shares by BSAR exercise with exercise price above the 2010 average share price | -347 |
| Weighted average shares outstanding (basic) | 14,859 |

### 4.5 Net profit per share

| | Net profit | Weighted average shares outstanding | Net profit per share |
|---|---|---|---|
| **Basic** | | | |
| Total | 23,400 | 14,224 | 1.65 |
| Hybrid capital investors | 8,081[1] | | 0.57 |
| Equity holders | 15,319 | 14,224 | 1.08 |
| **Diluted** | | | |
| Total | 23,400 | 14,859 | 1.57 |
| Hybrid capital investors | 8,081 | | 0.54 |
| Equity holders | 15,319 | 14,859 | 1.03 |

[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

The Group has extended in February 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 50m raised 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 (in real terms, the exercise raised EUR 51m: EUR 48m in net proceeds plus EUR 3m on accrued coupon). 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 will be immediately fungible with the existing hybrid bond and will be listed under the same ISIN code FR0010474627 on the Frankfurt Freiverkehr (unregulated) market.

#### 4.8 Related-party transactions

The Group is controlled by the family Martin, which owns 46,01% of the company shares and 52,67% of the voting rights.

The ultimate parent company is Analytical Bioventures SCA.

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 | 2010 | 2009 |
|---|---|---|
| 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 | 3.4 | 3.7 |
| Payables to related party | 0.4 | 0.4 |
| Loans to related party | 0.0 | 0.0 |
| Rent | 6.4 | 5.3 |

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

| € Million | 2010 | 2009 |
|---|---|---|
| Salaries and other short-term employees benefits | 1.0 | 0.9 |
| Post-employment benefits | 0.1 | 0.0 |
| Share-based payments | 0.0 | 0.0 |
| Total | 1.1 | 0.9 |

#### 4.9 Financial instruments by category

| € Thousand<br>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 | 6,770 | 0 | 0 | 0 | 6,770 |
| Trade and other receivables excluding prepayments - current | 170,040 | 0 | 0 | 0 | 170,040 |
| Financial assets at fair value through profit and loss | 0 | 0 | 0 | 0 | 0 |
| Marketable securities (Note 3.9) | 0 | 26,623 | 0 | 0 | 26,623 |
| Cash and cash equivalents | 80,881 | 0 | 0 | 0 | 80,881 |

During the period the Group has not reclassified any financial assets

| € Thousand<br>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 | 40,107 | 40,107 |
| OBSAAR | 0 | 0 | 221,844 | 221,844 |
| Finance lease liabilities | 0 | 0 | 3,579 | 3,579 |
| Account payable on investment | 0 | 0 | 17,375 | 17,375 |
| Derivative financial instruments (Note 4.3) | 0 | 3,420 | 0 | 3,420 |
| Trade accounts payable, other current liabilities and advances payments received and deferred revenues | 0 | 0 | 156,441 | 156,441 |

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).

# 5. Scope of the Group

**5.1 Change in the scope 2010**

The Companies below are consolidated at 100%:

| Company | Country | Status | % of ownership | Consolidation method | Date of entry |
|---|---|---|---|---|---|
| | | *Subsidiary of :* | | | |
| Eurofins Support Services Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | Full consolidation | 05/10 |
| Eurofins Genomics Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | Full consolidation | 07/10 |
| Eurofins Industrial Testing Lux Sarl | Luxembourg | Eurofins Environmental Testing Lux Sarl | 100 | Full consolidation | 09/10 |
| Eurofins Forensics Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | Full consolidation | 10/10 |
| Eurofins Laboratoire Sud SAS | France | Eurofins International Holdings Lux Sarl | 100 | Full consolidation | 07/10 |
| Eurofins Laboratoire Centre SAS | France | Eurofins Hygiène Alimentaire France Holding SAS | 100 | Full consolidation | 07/10 |
| Eurofins Laboratoire Nord SAS | France | Eurofins Food Chemistry Testing France Holding SAS | 100 | Full consolidation | 07/10 |
| Eurofins Eaux Résiduaires SAS | France | Eurofins Environnement & Santé SAS | 100 | Full consolidation | 07/10 |
| Eurofins Services Center III SAS | France | Eurofins Hygiène Alimentaire France Holding SAS | 100 | Full consolidation | 07/10 |
| Eurofins GSC France SAS | France | Eurofins Scientific SE | 100 | Full consolidation | 07/10 |
| Eurofins NDSC Food France SAS | France | Eurofins Food Chemistry Testing France Holding SAS | 100 | Full consolidation | 08/10 |
| Eurofins NDSC Environnement France SAS | France | Eurofins Analyses pour la Construction France Holding SAS | 100 | Full consolidation | 08/10 |
| Eurofins Analyses pour la Construction France Holding SAS | France | Eurofins Environmental Testing Lux Sarl | 100 | Full consolidation | 08/10 |
| Eurofins Analyses pour le Bâtiment France SAS | France | Eurofins Analyses pour la Construction France Holding SAS | 100 | Full consolidation | 08/10 |
| Ascal SA | France | Eurofins Industrial Testing Lux Sarl | 100 | Full consolidation | 10/10 |
| Eurofins Analyses Environnementales pour les industriels France SAS | France | Eurofins Industrial Testing Lux Sarl | 100 | Full consolidation | 10/10 |
| Eurofins NSC Développement France SAS | France | Eurofins Support Services Lux Sarl | 100 | Full consolidation | 10/10 |
| Test pour le bâtiment SAS | France | Eurofins Scientific SE | 100 | Full consolidation | 10/10 |
| Test pour l'Environnement SAS | France | Eurofins ADME Bioanalyses SAS | 100 | Full consolidation | 10/10 |
| Eurofins Microbiology London Ltd | UK | Eurofins Environmental Testing UK Holding Ltd | 100 | Full consolidation | 10/10 |
| Eurofins Environmental Testing UK Holding Ltd | UK | Eurofins Environmental Testing Lux Sarl | 100 | Full consolidation | 10/10 |
| Eurofins Product Testing Services Ltd | UK | Eurofins Product Testing Lux Sarl | 100 | Full consolidation | 10/10 |
| Eurofins 4. Verwaltungsgesellschaft GmbH | Germany | Eurofins Scientific GmbH | 100 | Full consolidation | 10/10 |
| Eurofins Analytical Testing Center, Inc. | USA | Eurofins Food II US Inc. | 100 | Full consolidation | 10/10 |
| Eurofins Support Services US, Inc. | USA | Eurofins Support Services Lux Sarl | 100 | Full consolidation | 11/10 |
| Eurofins International Holdings Lux Sarl | Luxemburg | Eurofins Scientific SE | 100 | Full consolidation | 11/10 |
| Eurofins Industrial Testing NV | Belgium | Eurofins Environmental Testing Lux Sarl | 100 | Full consolidation | 12/10 |

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

| Company | Country | % of ownership | Date of exit |
|---|---|---|---|
| Eurofins Product Testing GmbH | Austria | 100 | 12/10 |
| Eurofins Certification Switzerland AG | Switzerland | 100 | 12/10 |
| MWG Biotech Inc. | USA | 100 | 12/10 |
| Eurofins Product Service Inc. | USA | 100 | 12/10 |
| Phoenix Acquisition Inc. | USA | 100 | 12/10 |

**5.2 Principal subsidiary undertakings**

The Companies below are fully consolidated (at 100%):

| Company * | Country | Status | % of Group ownership | Date of entry |
|---|---|---|---|---|
| Eurofins Scientific SE | France | Parent | | |
| | | *Subsidiary of :* | | |
| Eurofins Hygiène Alimentaire France Holding SAS | France | Eurofins Scientific SE | 100 | 01/99 |
| Eurofins ATS SAS | France | Eurofins Hygiène Alimentaire France Holding SAS | 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 Environnement & Santé SAS | France | Eurofins Tests Environnementaux France Holding SAS | 100 | 01/01 |
| Eurofins LEM SAS | France | Eurofins Analyses pour l'Environnement France 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 Sarl | 72 | 02/05 |
| Eurofins Genomics France SAS | France | Eurofins Genomics Lux Sarl | 100 | 07/05 |
| Eurofins Tests Environnementaux France Holding SAS | France | Eurofins Scientific SE | 100 | 07/05 |
| Eurofins Analyses pour l'Environnement France SAS | France | Eurofins Tests Environnementaux France Holding SAS | 100 | 07/05 |
| IFEG SAS | France | Eurofins Forensics Lux 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 |
| GAB France SAS | France | Eurofins Agroscience Services GmbH | 100 | 01/06 |
| Eurofins Agrosciences Services SAS | France | Eurofins Agrosciences Services Ltd | 100 | 01/06 |
| Eurofins Pharma France Holding SAS | France | Eurofins Scientific SE | 100 | 06/06 |
| Eurofins Medinet France SAS | France | Eurofins Pharma France Holding SAS | 100 | 06/06 |
| Eurofins Hygiène du Bâtiment Paris SAS | France | Eurofins Analyses pour la Construction France Holding 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 Sarl | 100 | 10/06 |
| Eurofins Lara SA | France | Eurofins Hygiène Alimentaire France Holding SAS | 93 | 08/07 |
| Eurofins Optimed Lyon SAS | France | Eurofins Pharma France Holding SAS | 100 | 09/07 |
| Eurofins Food Chemistry Testing France Holding SAS | France | Eurofins Scientific SE | 100 | 09/07 |
| Eurofins NSC IT Infrastructure France SAS | France | Eurofins Support Services Lux Sarl | 100 | 12/07 |
| Chemtox SAS | France | Eurofins Ventures BV | 64 | 01/08 |
| Eurofins Asept SAS | France | Eurofins Hygiène Alimentaire France Holding SAS | 100 | 04/08 |
| Institut Louis Blanquet SAS | France | Eurofins Analyses pour l'Environnement France 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 Environnement & Santé 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 Environmental Testing Lux Sarl | 100 | 08/10 |
| Ascal SA | France | Eurofins Industrial Testing Lux Sarl | 100 | 10/10 |

| Company * | Country | Status | % of Group ownership | Date of entry |
|---|---|---|---|---|
| Eurofins Analyses pour le Bâtiment France SAS | France | Eurofins Analyses pour la Construction France Holding SAS | 100 | 08/10 |
| Eurofins Analyses Environnementales pour les industriels France SAS | France | Eurofins Industrial Testing Lux Sarl | 100 | 10/10 |
| Eurofins NSC Développement France SAS | France | Eurofins Support Services Lux Sarl | 100 | 10/10 |
| Test pour le bâtiment SAS | France | Eurofins Scientific SE | 100 | 10/10 |
| Test pour l'Environnement SAS | France | Eurofins ADME Bioanalyses SAS | 100 | 10/10 |
| Eurofins Holding Ltd | UK | Eurofins Food I UK Ltd | 100 | 01/06 |
| Eurofins Laboratories Ltd | UK | Eurofins Holding UK Ltd | 100 | 03/98 |
| CPA Laboratories Ltd | UK | Eurofins Scientific SE | 100 | 06/98 |
| Eurofins Genetic Services Ltd | UK | Eurofins Ventures Lux Sarl | 100 | 07/05 |
| Agrisearch Ltd | UK | Eurofins Agrosciences I UK Ltd | 100 | 01/06 |
| Eurofins Agrosciences Services Ltd | UK | Agrisearch Ltd | 100 | 01/06 |
| Eurofins Environmental Services Ltd | UK | Eurofins Environmental Testing Lux Sarl | 100 | 07/06 |
| Eurofins Food I UK Ltd | UK | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins Agrosciences I UK Ltd | UK | Eurofins Agrosciences Lux Sarl | 100 | 04/07 |
| Agrisearch UK Ltd | UK | Eurofins Agrosciences Services Ltd | 100 | 08/08 |
| Eurofins (NI) Limited | UK | Eurofins Laboratories Ltd | 100 | 09/04 |
| Eurofins Microbiology London Ltd | UK | Eurofins Environmental Testing UK Holding Ltd | 100 | 10/10 |
| Eurofins Environmental Testing UK Holding Ltd | UK | Eurofins Environmental Testing Lux Sarl | 100 | 10/10 |
| Eurofins Product Testing Services Ltd | UK | Eurofins Product Testing Lux Sarl | 100 | 10/10 |
| Eurofins Scientific (Ireland) Limited | Ireland | Eurofins Lux Sarl | 100 | 07/03 |
| Eurofins Food Ireland Limited | Ireland | Eurofins Holding UK Ltd | 100 | 04/09 |
| Eurofins Scientific GmbH | Germany | Eurofins Food Lux 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 GmbH | 100 | 01/99 |
| Eurofins GfA GmbH | Germany | Eurofins Scientific GmbH | 100 | 01/01 |
| Eurofins Medigenomix GmbH | Germany | Eurofins Ventures I DE GmbH | 100 | 07/01 |
| Ökometric GmbH | Germany | Eurofins GfA GmbH | 100 | 01/03 |
| GeneScan Europe AG | Germany | Eurofins Ventures BV | > 95 | 07/03 |
| Eurofins GeneScan GmbH | Germany | GeneScan Europe AG | > 95 | 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 | SniP Biotech-Verwaltung-GmbH | 100 | 01/05 |
| MWG Biotech AG | Germany | Eurofins Genomics BV | > 85 | 01/05 |
| MV Genetix GmbH | Germany | Eurofins Medigenomix GmbH | 100 | 02/05 |
| Eurofins Umwelt GmbH | Germany | Eurofins Environmental Testing Lux 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 GmbH | Germany | Eurofins Agrosciences I DE GmbH | 100 | 01/06 |
| Eurofins Umwelt Ost GmbH | Germany | Eurofins Umwelt GmbH | 100 | 01/06 |
| Dr. Fintelmann und Dr Meyer GmbH | Germany | Eurofins Product Testing GmbH | 100 | 01/06 |
| Institut Prof. Dr. Jäger GmbH | Germany | Eurofins Umwelt GmbH | 100 | 04/06 |
| Eurofins Food GmbH | Germany | Eurofins Food Lux Sarl | 100 | 12/06 |
| Eurofins Ventures I DE GmbH | Germany | Eurofins Ventures Lux Sarl | 100 | 12/06 |
| Eurofins MWG GmbH | Germany | MWG Biotech AG | > 85 | 01/07 |
| Eurofins MWG Synthesis GmbH | Germany | MWG Biotech AG | > 85 | 01/07 |
| Institut Dr. Rothe GmbH | Germany | Eurofins Food III DE GmbH | 100 | 04/07 |
| Eurofins Food III DE GmbH | Germany | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins Laborservices GmbH | Germany | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins AgroSciences I DE GmbH | Germany | Eurofins Agrosciences Lux Sarl | 100 | 04/07 |
| Eurofins 1. Verwaltungsgesellschaft GmbH | Germany | Eurofins Scientific SE | 100 | 04/07 |
| Eurofins Product Testing 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 Environmental Testing Lux 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 | > 85 | 12/07 |
| Eurofins Information Systems GmbH | Germany | Eurofins Scientific GmbH | 100 | 12/07 |
| Eurofins Environment I DE GmbH | Germany | Eurofins Scientific SE | 100 | 12/07 |
| Eurofins IT-infrastructure GmbH | Germany | Eurofins Scientific GmbH | 100 | 12/07 |
| Eurofins Product Service GmbH | Germany | Eurofins Scientific SE | 100 | 01/08 |
| Eurofins Food VI DE GmbH | Germany | Eurofins Food Lux Sarl | 100 | 01/08 |
| Eurofins Consumer Product Testing GmbH | Germany | Eurofins Product Testing GmbH | 100 | 01/08 |
| Eurofins Dr Specht GLP GmbH | Germany | Eurofins Scientific GmbH | 100 | 06/08 |
| Eurofins Dr Specht Express GmbH | Germany | Eurofins Food Lux Sarl | 100 | 12/08 |

| Company * | Country | Status | % of Group ownership | Date of entry |
|---|---|---|---|---|
| Eurofins WEJ Contaminants GmbH | Germany | Eurofins GfA GmbH | 100 | 12/08 |
| Eurofins WEJ Agro Nutrition GmbH | Germany | Eurofins GfA GmbH | 100 | 12/08 |
| Eurofins 2. Verwaltungsgesellschaft GmbH | Germany | Eurofins Environmental Testing Lux 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 |
| Dr Roth bio TEST GmbH & Co. KG | 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 4. Verwaltungsgesellschaft GmbH | Germany | Eurofins Scientific GmbH | 100 | 10/10 |
| Eurofins Ventures BV | Netherlands | Eurofins Scientific SE | 100 | 04/01 |
| Eurofins Services NL BV | Netherlands | Eurofins Environmental Testing Lux Sarl | 100 | 04/01 |
| Eurofins Food BV | Netherlands | Eurofins Food Lux Sarl | 100 | 10/00 |
| Eurofins Analytico BV | Netherlands | Eurofins Services NL BV | 100 | 04/01 |
| Eurofins Medinet BV | Netherlands | Eurofins Pharma Lux Sarl | 100 | 04/01 |
| Medinet International BV | Netherlands | Eurofins Medinet BV | 100 | 04/01 |
| CRL Medinet BV | Netherlands | Eurofins Medinet BV | 100 | 04/01 |
| ProMonitoring BV | Netherlands | Eurofins Analytico BV | 80 | 10/04 |
| Eurofins Genomics BV | Netherlands | Eurofins Ventures BV | 100 | 07/06 |
| Eurofins Food I NL US BV | Netherlands | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins Food II NL US BV | Netherlands | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins Eastern Ventures BV | Netherlands | Eurofins Food Lux Sarl | 100 | 12/07 |
| Eurofins Asian Ventures BV | Netherlands | Eurofins Product Testing Lux Sarl | 100 | 12/07 |
| Eurofins Scientific Services SA | Belgium | Eurofins Scientific SE | 100 | 06/01 |
| Eurofins Finance SA | Belgium | Eurofins Scientific SE | 100 | 07/06 |
| Eurofins Belgium NV | Belgium | Eurofins Finance SA | 100 | 12/07 |
| Eurofins industrial testing NV | Belgium | Eurofins Environmental Testing Lux Sarl | 100 | 12/10 |
| Eurofins Danmark A/S | Denmark | Eurofins Environment I DK A/S | 100 | 01/01 |
| Eurofins Miljo A/S | Denmark | Eurofins Environment I DK A/S | 100 | 06/05 |
| Eurofins Pharma A/S | Denmark | Eurofins Pharma Lux Sarl | 100 | 01/06 |
| Eurofins Steins Laboratorium A/S | Denmark | Eurofins Food I DK A/S | 100 | 07/06 |
| Eurofins Environment I DK A/S | Denmark | Eurofins Environmental Testing Lux Sarl | 100 | 04/07 |
| Eurofins Food I DK A/S | Denmark | Eurofins Food Lux Sarl | 100 | 04/07 |
| Eurofins Product Testing A/S | Denmark | Eurofins Environment I DK A/S | 100 | 12/08 |
| Eurofins Sverige AB | Sweden | Eurofins Danmark A/S | 100 | 04/04 |
| Eurofins Steins Laboratorium AB | Sweden | Eurofins Food I S AB | 100 | 07/06 |
| Eurofins Food I S AB | Sweden | Eurofins Food Lux Sarl | 100 | 10/07 |
| Eurofins Environment I S AB | Sweden | Eurofins Environmental Testing Lux Sarl | 100 | 10/07 |
| Eurofins Environment Sweden AB | Sweden | Eurofins Environment I S AB | 100 | 10/07 |
| Eurofins Sweden Food & Agro AB | Sweden | Eurofins Food I S AB | 100 | 10/07 |
| Eurofins National Service Center Sweden AB | Sweden | Eurofins Environment Sweden AB | 100 | 01/08 |
| Eurofins Norsk Miljoanalyse AS | Norway | Eurofins Environment I NO AS | 100 | 05/06 |
| Eurofins Norsk Matanalyse AS | Norway | Eurofins Food I NO AS | 60 | 09/07 |
| Eurofins Food I NO AS | Norway | Eurofins Food Lux Sarl | 100 | 09/07 |
| Eurofins Environment I NO AS | Norway | Eurofins Environmental Testing Lux Sarl | 100 | 09/07 |
| Eurofins Norge NSC AS | Norway | Eurofins Environment I NO AS | 100 | 12/07 |
| Eurofins Scientific Finland Oy | Finland | Eurofins Environment Sweden AB | 100 | 10/07 |
| Eurofins Agrosciences Services Srl | Italy | Eurofins Agrosciences Services Ltd | 100 | 01/06 |
| Eurofins Scientific Italia Srl | Italy | Eurofins International Holdings Lux Sarl | 100 | 07/06 |
| 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 | Chemical Control Srl | 100 | 07/07 |
| Programma ambiente Srl | Italy | Eurofins Scientific Italia Srl | 100 | 06/08 |
| Eurofins Modulo Uno SpA | Italy | Eurofins Scientific Italia Srl | 100 | 10/08 |
| Eurofins Steins Laboratorium Sp. z.o.o. | Poland | Eurofins Eastern Ventures BV | 100 | 07/06 |
| GAB Poland Sp. z.o.o. | Poland | Eurofins Agroscience Services GmbH | 100 | 01/06 |
| Eurofins Agrosciences Services SL | Spain | Eurofins Agrosciences Services Ltd | 100 | 01/06 |
| Biolab Espagnola de Analisis e Investigacion S.L. | Spain | Eurofins Biolab Srl | 67 | 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 | 88 | 01/05 |

| Company * | Country | Status | % of Group ownership | Date of entry |
|---|---|---|---|---|
| Eurofins - Ofi Lebensmittelanalytik GmbH | Austria | Eurofins Eastern Ventures BV | 51 | 01/07 |
| Eurofins Product Testing GmbH | Austria | Eurofins Product Testing Lux Sarl | 100 | 06/08 |
| Eurofins Scientific AG | Switzerland | Eurofins Food Lux Sarl | 100 | 07/00 |
| Bel/ Novamann International s.r.o. | Slovakia | Eurofins Eastern Ventures BV | 51 | 10/07 |
| Eurofins Scientific CZ s.r.o. | Czech Republic | Bel/ Novamann International s.r.o. | 51 | 10/06 |
| Eurofins Lux Sarl | Luxembourg | Eurofins Scientific SE | 100 | 12/06 |
| Eurofins Ventures Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 12/06 |
| Eurofins Food Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 12/06 |
| Eurofins Environmental Testing Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 12/06 |
| Eurofins Pharma Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 12/06 |
| Eurofins Agrosciences Lux Sarl | Luxembourg | Eurofins Ventures Lux Sarl | 100 | 09/07 |
| Eurofins Product Testing Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 06/08 |
| Eurofins Support Services Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 05/10 |
| Eurofins Genomics Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 07/10 |
| Eurofins Industrial Testing Lux Sarl | Luxembourg | Eurofins Environmental Testing Lux Sarl | 100 | 09/10 |
| Eurofins Forensics Lux Sarl | Luxembourg | Eurofins International Holdings Lux Sarl | 100 | 10/10 |
| Eurofins International Holdings Lux Sarl | Luxembourg | Eurofins Scientific SE | 100 | 11/10 |
| Eurofins Scientific Inc. | USA | Eurofins Food I US Inc. | 100 | 08/92 |
| Eurofins GeneScan Inc. | USA | Eurofins GeneScan GmbH | > 95 | 07/03 |
| Eurofins Pharma US Holdings Inc. | USA | Eurofins Ventures BV | 100 | 10/05 |
| Eurofins Avtech Laboratories Inc. | USA | Eurofins Pharma US Holdings Inc. | 100 | 11/05 |
| Viralliance Inc. | USA | Eurofins Pharma US Holdings Inc. | 100 | 11/05 |
| Eurofins Medinet Inc. | USA | Eurofins Pharma US Holdings Inc. | 100 | 06/06 |
| Eurofins Agrosciences Services Inc. | USA | Eurofins Agrosciences 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 I NL US BV | 100 | 04/07 |
| Eurofins Food II US Inc. | USA | Eurofins Food II NL US BV | 100 | 04/07 |
| Eurofins Genomics Inc. | USA | Eurofins Genomics BV | 100 | 12/07 |
| Eurofins MWG Operon Inc. | USA | Eurofins Genomics Inc. | > 85 | 12/07 |
| Eurofins Agrosciences Holdings US Inc. | USA | Eurofins Agrosciences Lux 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 Support Services US, Inc. | USA | Eurofins Support Services Lux Sarl | 100 | 11/10 |
| Eurofins do Brasil Analises de Alimentos Ltda. | Brazil | Eurofins Ventures BV | 100 | 07/03 |
| Innolab do Brasil Ltda. | Brazil | Eurofins Latin American Ventures SL | 100 | 07/09 |
| Eurofins Genomics India Pvt Ltd | India | Eurofins Ventures BV | 100 | 01/05 |
| Eurofins Analytical Services India Pvt Ltd | India | Eurofins Ventures Lux Sarl | 100 | 05/09 |
| Eurofins Hong Kong Ltd | Hong Kong | Eurofins Ventures BV | 100 | 03/06 |
| Eurofins Shanghai Holding Ltd | Hong Kong | Eurofins Product Testing Lux Sarl | 90 | 10/09 |
| Eurofins Technology Services (Suzhou) Co., Ltd | China | Eurofins Food Lux Sarl | 100 | 12/06 |
| Eurofins Testing Technology (Shenzhen) Co., Ltd | China | Eurofins Product Testing Lux Sarl | 100 | 10/09 |
| Eurofins Product Testing Service (Shanghai) Co., Ltd | China | Eurofins Shanghai Holding Ltd | 100 | 10/09 |
| Eurofins Medinet PTE. LTD | Singapore | Eurofins Medinet BV | 100 | 12/06 |
| Eurofins Product Service (Thailand) Co., Ltd | Thailand | Eurofins Asian Ventures BV | 100 | 07/08 |
| Eurofins Japan KK | Japan | Eurofins Ventures Lux Sarl | 100 | 03/06 |
| Operon Biotechnologies KK | Japan | Eurofins Ventures Lux Sarl | 100 | 12/07 |
| Eurofins Analytics KK | Japan | Eurofins Food Lux Sarl | 100 | 01/09 |
| Eurofins  Agrosciences Services EOOD | Bulgaria | Eurofins Agrosciences Lux Sarl | 100 | 11/08 |
| Eurofins Agroscience Services Kft | Hungary | Eurofins Agroscience Services GmbH | 100 | 09/07 |
| Eurofins  Agroscience Services srl | Romania | Eurofins Agroscience Services GmbH | 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 Danmark A/S | 27 | Equity method |
| Z.F.D. GmbH | Germany | Ökometric GmbH | 33 | Equity method |
| Lugttek A/S | Denmark | Eurofins Danmark A/S | 26 | Equity method |
| Fasmac Co. Ltd. | Japan | Eurofins Scientific Japan KK | 41 | Equity method |
| Stericheck Srl | Italy | Biolab Spa | 27 | Equity method |
| Potravinform Slovensko s.r.o. | Slovakia | Bel/ Novamann International s.r.o. | 25 | Equity method |

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

# 9. Supplementary General Information

**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)

**3 Legal form**

Société Européenne ("Societas Europaea") with a Conseil d'administration 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: 7120B

**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**

<u>Summons, access to shareholders' meetings</u>

Shareholders' Meetings are convened by the Conseil d'adminstration, 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 and lastly on 14 May 2010.

In accordance with articles L 225-209 and following the French *Code de Commerce* and the new regulations enforced since 13 October 2004 pursuant to the European Directive n°2273/2003 of 22 December 2003, the Company's Conseil d'administration 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 2010, the Company held no shares under this programme.

The Conseil d'administration plans to submit to the approval of the Annual General Meeting of 1st of June 2011, 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 and by the Stock Exchange authorities (*Autorité des Marchés Financiers*) in France.

**General Information about the Share Capital**

**1 Share capital**

On 31 December 2010, the registered share capital amounts to EUR 1,428,985.70 divided into 14,289,857 fully paid-up equivalent shares with a nominal value of € 0.10 each.

During 2010 the share capital was :

- increased by EUR 70 by the creation of 700 shares issued according to the decision of the Extraordinary General Meeting of 14 May 2010 and Conseil d'administration of 7 July 2010;

- increased by EUR 8,463.30 by the creation of 84 633 shares issued as a result of the exercising of stock options by employees.

**2 Potential increases in share capital**

**2.1 Stock options**

The Annual General Meeting (AGM) of 10 September 1997 authorised the Conseil d'administration, 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 Conseil d'administration 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 Conseil d'administration 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 Conseil d'administration 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 Conseil d'administration 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 1,688,090 options, of which 716,266 have been exercised and 954,099 are still valid, as shown in the tables below. In 2010 176,850 options were granted by the Conseil d'administration. 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 2010, 84,633 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<br>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 31/12/2010 | 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<br>05/05/2000 | 10/09/1997<br>05/05/2000 | 10/09/1997<br>05/05/2000 | 10/09/1997<br>05/05/2000 | 10/09/1997<br>05/05/2000 | 10/09/1997<br>05/05/2000 | 10/09/1997<br>05/05/2000<br>22/05/2002 | 10/09/1997<br>05/05/2000<br>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 31/12/2010 | 39 683 | 20 700 | 1 500 | 25 500 | 10 500 | 30 300 | 35 000 | 88 613 |
| Number of options lost and/or reawarded under new conditions | 40 967 | 39 950 | 6 000 | 0 | 0 | 21 400 | 0 | 37 575 |
| Number of valid options * | 0 | 2 950 | 500 | 0 | 0 | 8 100 | 0 | 60 212 |

| **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<br>05/05/2000<br>22/05/2002 | 10/09/1997<br>05/05/2000<br>22/05/2002 | 10/09/1997<br>05/05/2000<br>22/05/2002 | 10/09/1997<br>05/05/2000<br>22/05/2002 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>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 31/12/2010 | 21 000 | 3 900 | 27 820 | 5 000 | 25 500 | 0 | 1 800 | 0 |
| Number of options lost and/or reawarded under new conditions | 8 000 | 1 900 | 19 280 | 12 000 | 18 000 | 1 000 | 70 425 | 56 150 |
| Number of valid options * | 0 | 20 850 | 31 300 | 22 500 | 25 000 | 5 000 | 102 582 | 94 180 |

| Stock option plans | 25th instalment | 26th instalment | 27th instalment | 28th instalment | 29th instalment | 30th instalment | 31st instalment |
|---|---|---|---|---|---|---|---|
| Date of AGM | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008<br>13/05/2009 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008<br>13/05/2009<br>14/05/2010 | 10/09/1997<br>05/05/2000<br>22/05/2002<br>07/04/2005<br>02/05/2007<br>27/05/2008<br>13/05/2009<br>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 | 10/11/2009 | 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 31/12/2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of options lost and/or reawarded under new conditions | 12 000 | 40 135 | 9 400 | 13 350 | 6 100 | 0 | 0 |
| Number of valid options * | 0 | 128 815 | 24 610 | 103 350 | 147 300 | 164 400 | 12 450 |

* 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 14 May 2010 authorised the Conseil d'administration 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 14 May 2010 has also authorised the Conseil d'administration 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 Conseil d'administration 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 Conseil d'administration 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 Conseil d'administration plans to submit to the Annual General Meeting of shareholders of 1st of

June 2011 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 |

**5 Shareholders and voting rights as of December 31, 2010**

| 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 | 0.2 |
| Analytical Bioventures SCA | 6,559,570 | 45.9 | 52.5 |
| Martin Family (subtotal) | 6,574,118 | 46.0 | 52.7 |
| Treasury shares | 0 | 0.0 | 0.0 |
| Free Float | 7,715,739 | 54.0 | 47.3 |
| TOTAL | 14,289,857 | 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;

In 2010, Ameriprise Financial notified Eurofins and the AMF that it breached the 5% shareholding threshold as of 24 May 2010.

The Company is not aware of any shareholder other than those stated above with an interest in excess of 2.5% of the share capital or voting rights as at 31 December 2010.

**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 14 May 2010 for an amount of EUR 0.10 per share and paid by the Company in July 2010.

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 2010, the Eurofins share market price developed as follows:

**NYSE Euronext, Paris**

**Euronext, Paris**

| | Month | Average closing price (€) | High (€) | Low (€) | Average daily volume ('000) | Market cap (€m) |
|---|---|---|---|---|---|---|
| 2009 | July | 41.12 | 43.80 | 37.75 | 22.3 | 588 |
| | August | 39.97 | 41.49 | 35.61 | 28.7 | 571 |
| | September | 33.08 | 35.94 | 32.00 | 71.3 | 473 |
| | October | 32.15 | 33.95 | 30.00 | 46.8 | 459 |
| | November | 33.53 | 36.28 | 30.20 | 53.1 | 479 |
| | December | 37.30 | 39.28 | 34.28 | 32.8 | 533 |
| 2010 | January | 38.95 | 41.95 | 34.80 | 43.5 | 557 |
| | February | 31.63 | 35.80 | 29.07 | 52.9 | 452 |
| | March | 32.91 | 33.60 | 31.01 | 20.3 | 470 |
| | April | 33.68 | 34.98 | 31.86 | 17.5 | 481 |
| | May | 31.53 | 33.42 | 30.36 | 17.7 | 451 |
| | June | 29.13 | 31.64 | 26.65 | 19.4 | 416 |
| | 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 |