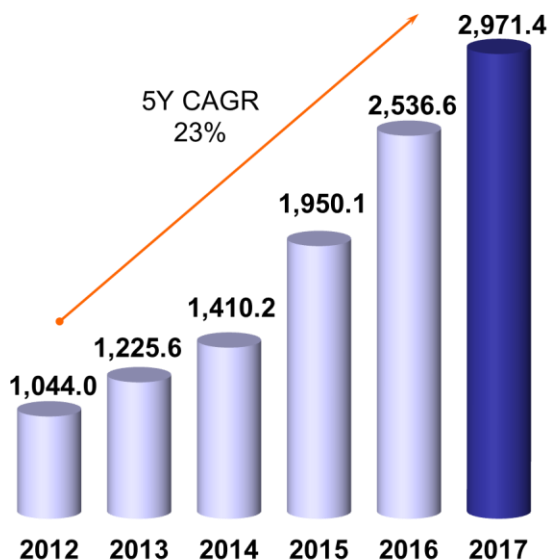
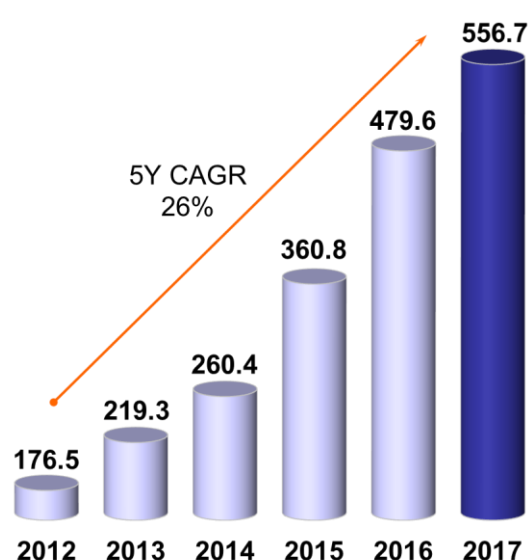


Key Figures – Eurofins Scientific Group

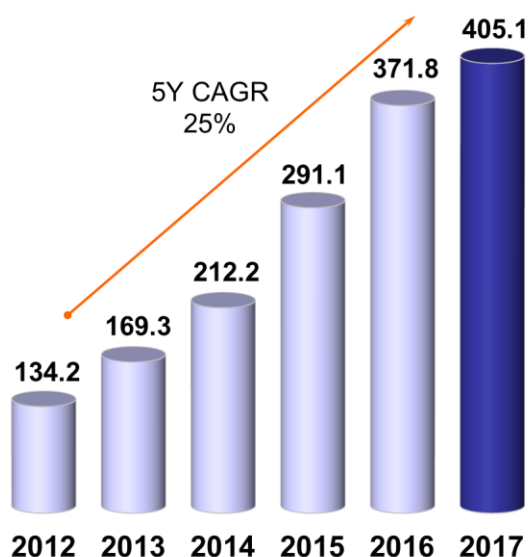
Revenues in EUR million



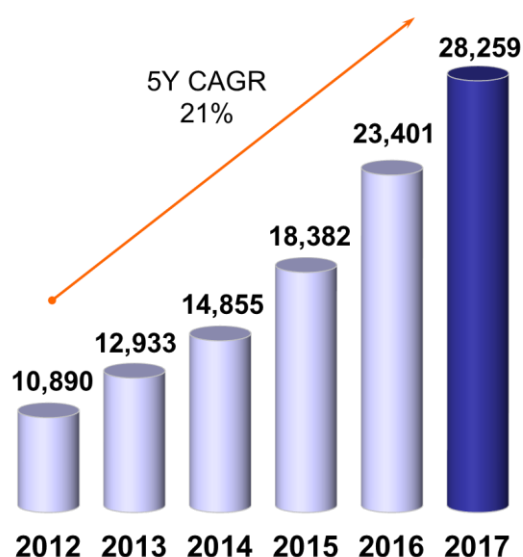
Adjusted EBITDA in EUR million



Operating Cash Flow in EUR million



Average Number of Full Time Employees (FTE)



EUR = Euro

5Y CAGR = Five Year Compound Annual Growth Rate

Average Number of Full Time Employees (FTE) = average weighted number of employees, expressed as full time equivalent (FTE)

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Shareholders' information

Listing

Euronext Paris (IPO on 24.10.1997)

Segments/ Indexes

Paris: MSCI Europe, Euronext 100, SBF 120, STOXX Europe 600, SRD & Compartment A

Industry Group/ Prime Sector

Healthcare/Healthcare Providers

International Securities Identification Code (ISIN)

FR0000038259

Tickers

Paris: Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (at 31.12.2017)

EUR 1,764,391.40 (17,643,914 x EUR 0.10)

Simplified Ownership Structure

Free Float 63.6%
Martin Family 36.4%

2017 Share Price development

Eurofins Scientific: 25.3%
SBF 120: 10.8%
Next 150 Index: 20.3%
CAC 40 Index: 9.3%
Euro Stoxx 50 Index: 7.5%
Nasdaq Composite Index: 27.6%
Dow Jones Industrial Average Index: 24.9%

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with a CAGR (Compound Annual Growth Rate) of its share price of 32% between its IPO on October 24th, 1997, and December 31st, 2017.

Analyst coverage

Berenberg	Josh Puddle
Bryan Garnier	Bruno de La Rochebrochard
Exane BNP Paribas	Allen Wells
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	Suhasini Varanasi
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
Kepler Cheuvreux	Aymeric Poulain
Mainfirst	Nicolas Tabor
Natixis	Kathleen Gailliot
Oddo	Christophe-Raphaël Ganet
Portzamparc	Christophe Dombu
Société Générale	Jean-Michel Belanger

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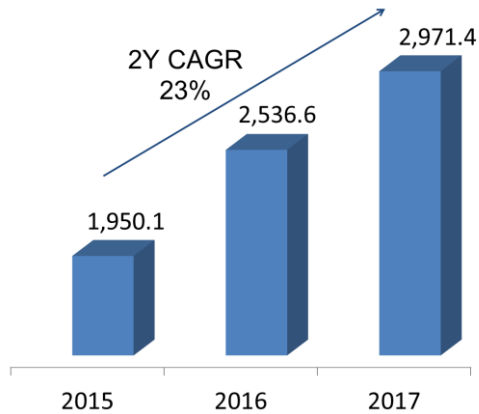
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I. MANAGEMENT REPORT as of 31/12/2017

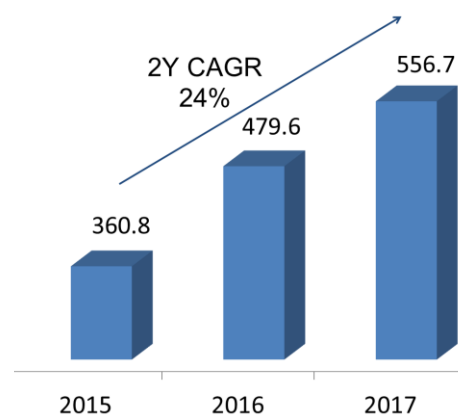
1 Key Performance Indicators (KPIs)

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

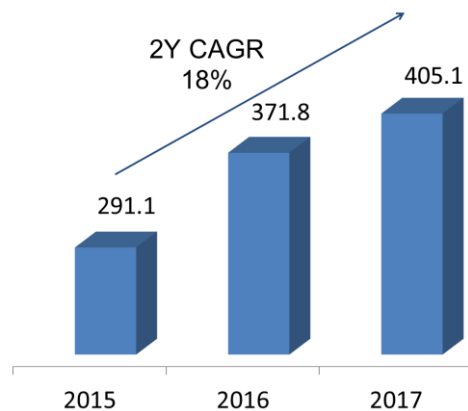
Revenues EUR m



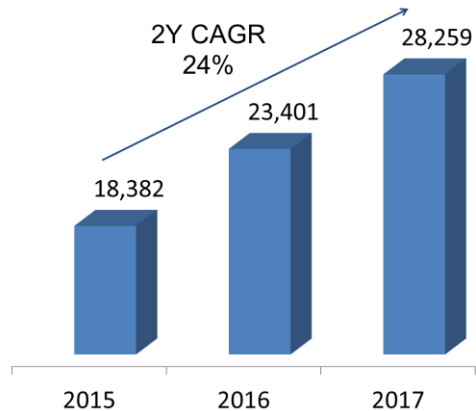
Adjusted EBITDA EUR m



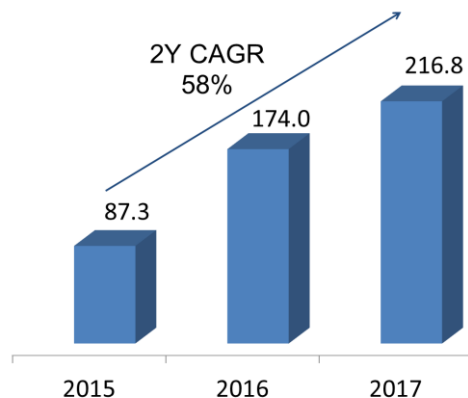
Operating Cash Flow EUR m



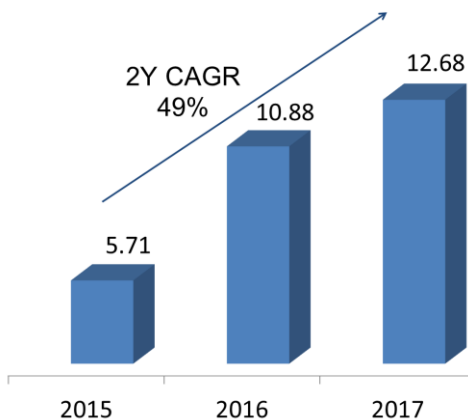
Average Number of Full Time Employees



Net Profit EUR m



Earnings Per Share EUR (Basic total)



Average Number of Full Time Employees = average weighted number of employees, expressed as full time equivalent (FTE)
Net Profit – Net profit for equity holders after non-controlling interests but before payment to Hybrid capital holders

2 Message from the CEO

I am pleased to report another set of strong results for Eurofins in 2017, the second year of its 5 years growth acceleration programme. In 2017 Eurofins made very good progress towards its operational objectives for 2020 of building an unmatched state-of-the-art global laboratory infrastructure in its markets.

Some of the highlights of 2017 include:

- Close to 6% organic growth¹⁰ for the full year 2017 (FY 2017), above the Group's annual objective of 5%. Adjusted for public working days impact, sustained organic growth above 7% in Q4 and above 6.5% for the FY 2017.
- Adjusted¹ EBITDA³ of EUR 557m in FY 2017, above the Group's objectives (EUR 550m), resulting in a margin of 18.7%. On a pro-forma basis, the adjusted EBITDA margin stands at 18.8% thanks to accretive acquisitions in 2017.
- Record M&A activity, with about 60 acquisitions closed during the year, and representing annual revenues of ca. EUR 700m in 2017 with an annual EBITDA margin of ca. 19%, for a total investment of about EUR 1.5bn.
- Massive acceleration of our laboratories start-up programme with a record 30 in the year 2017 alone, bringing the total number of start-ups opened since 2014 to 87 and to 130 since the year 2000. These start-ups had an accretive effect of more than 40bp on our organic growth in the FY 2017. In terms of profitability, the start-ups from the first two programmes (2000-2009, 2010-2013) were slightly above Group's average in FY 2017, while the 87 ones from our third programme (opened since 2014) were as a whole very dilutive. They represent significant investments for the future.
- Strong increase of the net profit⁵ in FY 2017 (+25% at EUR 217m) thanks to lower finance costs and reduced income tax expenses (following the US tax reform).
- Free cash flow to equity⁹ of EUR 147m, +17% vs. last year, in line with the revenue growth for the year in spite of investment in start-ups and cost of extra cash on the balance sheet for future growth.
- Strong uplift of 21% in basic earnings per share attributable to equity holders at EUR 10.49, despite these dilutive investments for the future and the equity and hybrid issuances of the last 18 months.
- Strong balance sheet with a 2.14x pro-forma net debt/adjusted EBITDA leverage, well below the Group's covenant of 3.50x.
- Proposal to increase the annual dividend for 2017 by 20%, (10th consecutive yearly increase representing a +37.4% 10-year CAGR), to EUR 2.40 per share.
- Outlook: on the back of strong FY 2017 revenues (EUR 2.97bn, +17.1% vs. previous year, EUR 3.44bn

on a pro-forma basis), Eurofins' management is increasing its 2018 revenue objective to EUR 3.7bn, and setting a EUR 700m Adjusted EBITDA objective for 2018 (at 2017 currency exchange rates).

A record number of acquisitions were also completed throughout the year. Thanks to this and continued strong organic growth above peers, Eurofins has exceeded its recently-upgraded 2017 objectives of delivering reported revenues in excess of EUR 2.9bn and EUR 3.35bn on a pro-forma basis.

2017 was a record year for Eurofins with about 60 acquisitions closed, representing annual revenues of ca. EUR 700m, and 30 start-up laboratories launched. We have substantially surpassed our annual M&A revenue objective of EUR 200m and our initial plan to open 20 laboratories in 2017. Overall the acquisitions closed in 2017 are margin accretive, contributing with a ca. 19% EBITDA margin to FY 2017 pro-forma consolidated accounts. The acceleration in the Group's M&A activity widens the portfolio of services we offer to our clients and should expand the margins of newly acquired firms that gain access to Eurofins' fast growing portfolio of competencies, logistics and clients.

Eurofins has achieved four new leadership positions in its markets in 2017. With the acquisitions of Villapharma and DiscoverX, Eurofins further enhanced its global leadership position in discovery pharmacology. Through the acquisition of GATC, one of Europe's specialists in DNA sequencing, Eurofins strengthened its market position as a global leader in genomics services. The acquisitions of JACC and Ecopro provided an entry into the Japanese agrosience market, which together with the takeover of EAG Laboratories, the largest acquisition in Eurofins' history, helped the Group achieve a global leadership position in agrosience services. Finally, the acquisition of LGC Forensics provided Eurofins with a European leadership position in forensics services.

Additionally, Eurofins has also created three new significant business lines in 2017. With the acquisitions of Advinus, Amatsigroup and Alphora, Eurofins entered the dynamic and growing contract development and manufacturing organization (CDMO) market. The acquisition of EAG Laboratories provided Eurofins with a strong entry in the growing advanced materials sciences market, where EAG is already a leader in its core markets. The acquisitions of Genoma and LifeCodexx, two pioneers of non-invasive prenatal testing (NIPT) in Europe, significantly reinforced Eurofins' position in the clinical genetics market.

This year's record investment of about EUR 1.5bn in acquisitions, demonstrates Eurofins' sustained commitment to expand its portfolio of state-of-the-art analytical services and its geographic reach by acquiring leading laboratories. During the year, with about 60 acquisitions, Eurofins continued to increase the quality and breadth of services offered to its clients, and expanded into 5 new countries: Argentina, Estonia, Lithuania, Slovenia and South Korea. Strong FY 2017 performance, combined with increasing successful efforts to lead consolidation in our markets, make Eurofins' management confident of achieving its

recently-upgraded mid-term objective of delivering EUR 4bn revenues by 2019.

In conjunction with the acceleration of the Group's M&A activity and its start-up programme, we have made important progress towards optimizing our balance sheet position and ensuring that we maintain access to future funding at attractive conditions. In 2017, Eurofins issued a EUR 650m 7-year senior bond and a PerpNC8 EUR 400m hybrid instrument, at the lowest ever coupons in Eurofins' history (2.125% and 3.25% respectively). Furthermore, November's EUR 400m hybrid issue was structured for optimum equity qualification by rating agencies should the company opt for a credit rating in the next 3 years. As a result, the Group had a significant 21.7% reduction in finance costs vs. FY 2016, and enjoys significant headroom for future investments with EUR 820.4m cash and cash equivalents at year-end. In spite of all its investments, the Group continues to maintain financial flexibility with a pro-forma net debt/adjusted EBITDA leverage of 2.14x (3.5x debt covenant limit), allowing Eurofins to continue to fund its growth opportunities above and beyond its EUR 4bn revenues objective for 2019.

Sincerely,



Dr. Gilles G. Martin
CEO

Dated February 27, 2018

(See definitions of the financial terms discussed on page 15).

3 The Business

Eurofins Scientific – A Global Leader in Bioanalysis

Eurofins Scientific through its subsidiaries (hereinafter sometimes “Eurofins” or “the Group”) believes it is the world leader in food, environment and pharmaceutical products testing as well as in agrosience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, advanced materials sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

With more than 35,000 staff in a network of companies operating in more than 400 laboratories across 44 countries, Eurofins offers a portfolio of over 150,000 analytical methods for evaluating the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as for clinical diagnostic. The Group provides its customers with high-quality services, accurate results on time, and expert advice by its highly qualified staff.

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

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

Our Vision: To be the world leader in Testing for Life.

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

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

History and Strategy of Eurofins

Eurofins was founded in 1987 with 4 employees to market the SNIF-NMR technology, a patented analytical method used to verify the origin and purity of several types of food and beverages and identify sophisticated fraud not detectable by other methods. Today Eurofins operates a network of more than 400 state-of-the-art laboratories across 44 countries in Europe, North and South America and Asia-Pacific employing more than 35,000 staff, and offering a portfolio of over 150,000 reliable analytical methods.

Investments in start-up laboratories in several countries, including in emerging markets, along with focused acquisitions, have substantially increased the range of Eurofins’ offerings in its customers’ key

markets around the world. Eurofins has also started seeing the benefits from its intensive past investment programmes. The results have been reflected in a significantly enlarged network of state-of-the-art laboratories and Competence Centres, increased efficiency across the Group, and higher shares in most of the markets where the Group historically operates.

Eurofins is committed to supporting its clients’ objectives of ensuring that their products reach the best possible quality and safety levels in all markets in which they operate and supporting medical practitioners and patients with innovative diagnostic services. Eurofins intends to continue to develop and acquire a unique range of state-of-the-art analytical technologies as well as expand its geographical reach in order to support its clients’ increasingly stringent quality and safety standards and the expanding demands of regulatory authorities and its customers, including healthcare practitioners, around the world.

Eurofins operates in a range of clearly defined markets that are considered to have high growth potential and where competition is generally fragmented.

Eurofins is structured as a decentralised network of independent companies. Each of the Group’s businesses develops plans to enable it to fulfil its mission and objectives. The Group does not operate under one single strategy, but with several that are specific to each market in which its subsidiary companies operate. In general, Eurofins companies and groups thereof constituting regional or global business lines employ all or a combination of the following to build strong positions and defensible barriers-to entry:

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

Each laboratory strives for operational excellence and aspires to be the best partner for its clients by leveraging the Group’s network capabilities, through sharing of know-how and best practices, IT infrastructure and solutions, logistics and financial resources. This has been achieved and successfully replicated across many countries and market segments 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, technologies, and innovation.

Industry Overview

The Market for Testing, Inspection and Certification Services (TICS)

Bioanalytical testing (defined by Eurofins as testing all products or substances that we eat, drink, ingest, inhale or come in contact with our bodies) is a relatively new market that started expanding significantly only a few decades ago, 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^a. In contrast, the Eurofins Group and a few large international peers offer customers a large range of analytical services, as well as support across multiple countries around the world.

Given the fragmentation and complexity of the bioanalytical testing market, many companies provide services addressing various subsegments of the market. However, Eurofins does not consider any other company to be an exact competitor in all the segments and geographies in which it operates. Equity and credit research analysts often cite Intertek, Bureau Veritas and SGS as comparable listed TICS companies for their valuation purposes^b. In the pharmaceutical area, Quintiles and Charles River are sometimes cited.

The Clinical Diagnostics Market

The clinical diagnostics market comprises assays, instruments, and services that help in the diagnosis and treatment of diseases. Since 2014 Eurofins has been focusing a large part of its investments in this sector with a special focus, on innovative specialized diagnostic services with a growing genetic and genomic component. As further detailed below under paragraph “Global Clinical Diagnostics market growth drivers” the market is expected to grow^c as effective diagnosis enables a more personalized medicine – i.e., allow healthcare professionals to better diagnose and prescribe more accurate treatment for each patient.

Multiple companies provide either specialized or routine clinical diagnostic testing services, or both, depending on their technologies, or scientific expertise, or the relevant regulations. The competitive landscape is therefore highly localized, and in certain geographies, competition is along the lines of specialization or branches of medical science. Financial analysts typically cite Labcorp, Quest Diagnostics, Sonic Healthcare, among others, as comparable peers to Eurofins’ clinical diagnostics activities. Those companies are larger and may have a larger part of their revenues from routine testing.

^a KPMG Corporate Finance, Test and Measurement newsletter Q1 2017

^b More generally, the Group considers the following international companies to have activities in competition with its activities, even if only partially : ALS Global, Aptuit, Bureau Veritas, Charles River, Dekra, DNV-GL, Icon, Idexx, Intertek, Labcorp/Covance, LGC, Merieux Nutrisciences/Silliker, MIRACA, Quest Diagnostics, Quintiles, SGS, SRL, the TÜV group, UL. This list is by nature non exhaustive, and evolutive over time. It is provided for illustration purposes only

^c <http://www.transparencymarketresearch.com/clinical-laboratory-services-market.html> says they expect 6.4% CAGR 2017-2025

Growth Drivers

Eurofins management believes that several significant trends and factors are supportive of the continued growth of the market in which it operates. Some of these trends include:

The Broader Bioanalytical Testing Market Growth Drivers

Wealth & Life Expectation

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

New Technologies

New technologies open new perspectives for applications in the pharmaceutical, food, and environmental markets. In recent years, the food industry has developed many new products which apply new technologies and processes, such as “functional food”, a food given an additional function (often one related to health promotion or disease prevention) by adding new ingredients or more of existing ingredients.

Eurofins benefits from both the needs of its customers to test the application of new technologies and to test and control 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 pesticides, pharmaceutical substances, allergens or GMOs in a wide range of food products. Increasingly sensitive analytical equipment and methods also act as a driver for better quality assurance and to detect substances that people were not previously aware of or able to measure.

Consumer Protection

Along with the development of new technologies and a rising standard of living in the industrialised countries, consumers are becoming increasingly aware of product safety and quality and are averse to any health risks linked with food, pharmaceuticals or the environment. The demand for higher quality goods and services, and the associated requirement for testing, are also driven by increasingly strict regulations introduced by governmental authorities, the European Commission, the US Food and Drug Administration 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 by this global sourcing. The wider the supply chain becomes, the greater and more complex the risk of quality divergence across the chain becomes and hence the need for testing.

In addition to Europe and North America, Eurofins is able to meet clients' needs across the globe including in an increasing number of supply chain locations in South America, Eastern Europe, and Asia. By operating laboratories in many of the countries where suppliers of food ingredients or agriculture commodities exist, Eurofins has a clear understanding of the global conditions and regulations and possibilities to test at source. Furthermore, Eurofins also offers a reliable standard of high quality and extensive expertise in those local markets for global customers with 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 150,000 tests. In addition, most large customers benefit from having dedicated account managers. This account manager can draw on the possibility of a large number of Eurofins laboratories, some being very specialized. Eurofins in turn is able to allow each laboratory 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 most laboratories in the Group or in one Business Line.

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 a large range of analyses as part of pro-active quality assurance programmes, Eurofins supports its global customers in maintaining the integrity of their brands.

Outsourcing

To run in-house or government/public laboratories, as a rule, is seldom cost effective and therefore outsourcing to a global supplier, such as Eurofins, is becoming increasingly common. An outsourcing deal can represent 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 the customer, allowing both parties to concentrate on their core businesses.

The Clinical Diagnostics Market Growth Drivers

Demographics

Eurofins believes that as world population grows and ages, the need for earlier and more sophisticated diagnosis and treatment of diseases will likely drive up the demand for laboratory diagnostic services.

According to a recent market study, the global clinical laboratory services market is estimated to grow at a CAGR of 6.4% per annum from USD 196.9bn in 2015 to USD 342.3bn by 2024^d.

Medical/Scientific Innovations

Technological innovations relevant to medicine could lead to earlier or more accurate diagnosis and treatment of diseases^e. Advances in genomics, for example, are expected to lead to advanced diagnostic tests, which in turn could bring the healthcare system closer to personalized medicine, which relies on individualised diagnostic and prognostic testing^f. Based on such individualised testing physicians may prescribe the most effective healthcare treatments or lifestyle changes for individual patients. Personalized health care should also increase the efficiency of the health care system by improving quality, accessibility and affordability^g.

The increased availability of healthcare data, including those resulting from modern sequencing technologies frequently referred to as "next generation DNA sequencing" and continually improving ability to analyze such data at the patient level is likely to open new possibilities to positively impact diagnosis and treatment of diseases.

Prevention and Wellness

The increasing burden of healthcare costs on government and healthcare agencies has advanced the case for better control of medical and laboratory diagnostic costs but also for greater focus on early diagnosis and prevention. In some cases, healthcare providers and payers (governments or insurance agencies) increasingly recognize the value of diagnostics as a means to improve health and reduce the cost of healthcare through early detection, prevention, and more effective treatment.

There is no guarantee that these growth trends will remain or materialize, or that the industry, or indeed Eurofins' businesses and operations may not be negatively influenced or impacted by a variety of factors and possible events. Please refer to the Risk Factors Section on Commercial risks, Technological risks, Industrial risks and other factors that could have a negative impact on the laboratory testing industry and Eurofins' growth and financial results.

^d <https://www.gminsights.com/pressrelease/clinical-laboratory-services-market>

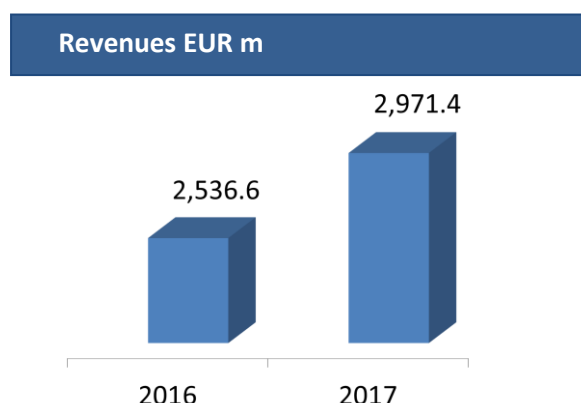
^e <http://www.marketsandmarkets.com/Market-Reports/ivd-in-vitro-diagnostics-market-703.html>

^f <http://www.mordorintelligence.com/industry-reports/global-in-vitro-diagnostics-market-growth-trends-and-forecasts-2014-2020-industry?gclid=CNnSio6Y-MwCFY5ZhgodQuMIEA>

^g <http://www.personalizedmedicinecoalition.org/Userfiles/PMC-Corporate/file/The-Personalized-Medicine-Report1.pdf>

4 Financial and operating review

Revenues



Revenues grew 20.6% (+24.6% at constant currency rates) to EUR 843.5m in the fourth quarter, bringing revenues for the full year 2017 to EUR 2,971.4m, representing a year-on-year increase of 17.1% (+18.1% at constant currency rates). Organic growth was close to 6% in 2017, adjusted for public working days impact, organic growth was above 7% in Q4 and above 6.5% for the FY 2017. Market share gains in most geographies, increased customer penetration, as well as continued growth in the markets where Eurofins operates support the robust growth across the Group. Currency translation had a limited impact on revenues of -0.8% during the year. Taking the annualized revenues of all the acquisitions completed during the year, 2017 pro-forma revenues would have been EUR 3.44bn. Thus, the Group has exceeded its latest 2017 objectives, upgraded on the 24th October 2017, to deliver EUR 2.9bn revenues and EUR 3.35bn revenues on a pro-forma basis.

Revenues : Geographical Breakdown

EUR million	2017	% of Group	2016	% of Group
North America	902.8	30.4	803.6	31.7
France	677.8	22.8	625.9	24.7
Germany	342.5	11.5	279.4	11.0
Benelux	214.8	7.2	191.2	7.5
Nordic Region	212.4	7.1	172.4	6.8
UK & Ireland	161.6	5.4	122.0	4.8
Other	459.5	15.6	342.1	13.5
Total	2,971.4	100.0	2,536.6	100.0

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

Positive trends continue to drive the growth in Eurofins' businesses in North America, where revenues increased 12.3% to EUR 903m, amounting to over 30% of total Group revenues. Organic growth for FY 2017 in North America was above the Group average. In the US, Eurofins laboratories active in BioPharma services delivered outstanding organic growth during the year. 2017 was a record year in the number of novel drug approvals by the US Food and Drug Administration (FDA). Eurofins Pharma Discovery Services launched a new website providing customers worldwide with a single fully integrated e-commerce platform that hosts its entire assay catalog. Regulatory catch-up remains a strong growth driver

for the food testing market. The Food and Drug Administration's (FDA) Food Safety and Modernization Act (FSMA) continues to influence the food safety testing decisions of the largest US food manufacturers with increasingly stringent regulations. Eurofins' strong commitment towards expanding its technology portfolio through R&D and acquisitions, increasing the number and quality of analytical tests offered to its clients, should strengthen its position as a laboratory of choice for its customers. The Group continues to expand its presence in BioPharma services in the US, where Eurofins Central Laboratory had a record year of new bookings while improving the diversification of its client base. Eurofins Central Laboratory has also built new relationships with some of the largest players in the veterinary drug industry, significantly enlarging its testing portfolio for medicated animal feed assays.

In France, Eurofins' second largest market with nearly 23% of total Group sales, revenues increased 8.3% to EUR 678m. Organic growth was below Group average in France in 2017 mainly resulting from the French clinical diagnostics market where total laboratory spend is capped by healthcare authorities. However, despite this constraint, Eurofins has continued to improve its margin and significantly increased its revenues on prenatal diagnostics tests in France in 2017 reflecting successful cross-selling efforts following the acquisitions of Genoma and LifeCodexx. In 2017, Eurofins laboratories active in Food testing services were awarded a new European project focusing on testing and breeding for sustainability and resilience in crops. During the year, Eurofins Microbiology testing France implemented its new real-time PCR Kit BACGene Listeria, the first multiplex assay for parallel detection of Listeria monocytogenes and Listeria spp., an effective new test for the quality assurance of food. Eurofins Environment testing laboratories in France have been selected as the main laboratory to conduct environmental analyses on waste materials for 9 out of the 11 main work packages that constitute the first testing phase of the EUR 30bn Grand Paris Project. They were also selected as the preferred analytical partner for most of the engineering firms working on the Grand Paris Project. Eurofins' genomics services business had robust organic growth above the Group's objectives.

Revenue contribution from Germany, which makes up 12% of Group revenues, was EUR 343m in 2017, representing robust growth of 23% with double-digit organic growth in Q4 2017. The food testing business continues its strong growth. In Germany, Eurofins laboratories active in BioPharma services delivered strong revenue growth during the year, all of which was organic. In Genomics services, Eurofins achieved double digit organic growth during the year significantly developing its market position by expanding its technological portfolio and offering overnight sequencing services, leading to the acquisition of many new customers including contracts with five new hospitals.

The Group's laboratories in the Benelux achieved revenues of EUR 215m, representing 7% of total Group revenues, and an increase of 12% compared to

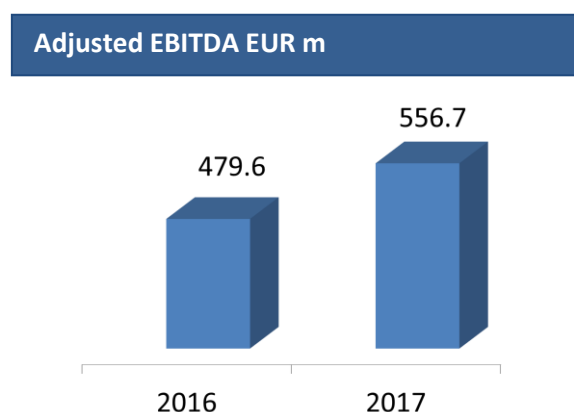
2016. In 2017, Eurofins' Carbohydrate Competence Centre (CCC) in The Netherlands announced availability of the analytical method necessary to conform to the national standard of the People's Republic of China for the determination of fructan in foods, CCC's test has received ISO 17025 accreditation. Eurofins' laboratories in the Nordic Region grew 23% to EUR 212m of revenues in 2017, making up 7.1% of total sales. Eurofins became in 2017 the market leader for environmental testing in Finland. Revenues from the UK & Ireland grew 32% to EUR 162m. In the first quarter of 2018, Eurofins Environment testing is implementing the Irish Water Framework for laboratories for potable water and waste water testing. Eurofins Clinical Diagnostics had a 100% success rate in the Irish National Health Service (HSE) and in private hospital procurement tenders during 2017, featuring a 5 year agreement with Ireland's largest private hospital group, to provide specialized testing to their hospitals, and a 7 year contract with one of the world's leading providers of renal care services. In Q3 2017, Eurofins Biomnis Ireland was awarded a flexible scope of accreditation according to ISO 15189 standard for its clinical diagnostics testing portfolio.

Eurofins continues to expand its operations and footprint in emerging markets and Asia Pacific, which contributed revenues of EUR 272m, an increase of 19% versus 2016. Eurofins' food testing laboratory in Bangalore obtained Export Inspection Council (EIC) approval opening up two major opportunities, sea food testing for exports and testing of milk products for exports. Eurofins Agrosience Services (EAS) expanded to Malaysia. Field activities in Malaysia will further strengthen Eurofins' Asian residue testing network in, for example, palm oil. In 2017, EAS hired a nematode specialist in Thailand. Nematodes affect many crops in the tropics, and in South East Asia, vegetables and sugarcane yields can be significantly reduced by the presence of nematodes. EAS Thailand can now offer high quality and reliable expertise for testing new solutions against this important pest complex. Consumer Product Testing in India started its operations in March 2017 and acquired ISO 17025 accreditation in November.

During the year, Eurofins expanded its market presence into five new geographies, launching operations in Argentina, Estonia, Lithuania, Slovenia and South Korea. As a result, Eurofins has significantly strengthened its portfolio of services in Central and Eastern Europe, where government regulation is developing fast in with the objective to catch-up with the EU regulatory environment. It is also gradually expanding its footprint in Latin America and Asia Pacific.

Overall, the Group delivered strong revenue growth across all geographic areas and businesses, supported by the Group's investments to build the best laboratory network infrastructure in its markets through acquisitions and start-up laboratories. The strong results achieved in 2017 reflect Eurofins' commitment towards securing leadership and strengthening its market presence in each of its areas of competence.

Profitability



Group adjusted EBITDA increased 16% to EUR 557m thanks to a strong revenue growth from our mature businesses, our start-up laboratories, and the acquisitions made during the year (slightly above EUR 200m of revenues consolidated in 2017 representing a full year pro-forma basis of ca. EUR 700m). The slight margin contraction (-20bp vs. previous year) is due to a small dilution impact from 2016 acquisitions. The mature businesses of the Group (excluding start-ups and acquisitions in significant restructuring) generated revenues of EUR 2,714m during the period with an EBITDA margin of 20.5%, slightly lower than the previous year due to a dilutive impact from the 2016 acquisitions. Start-ups and businesses in restructuring or reorganization generated EUR 258m of revenues, which means that these businesses now account for only 8.7% of the Group's total revenues, compared to 11.1% in the previous year.

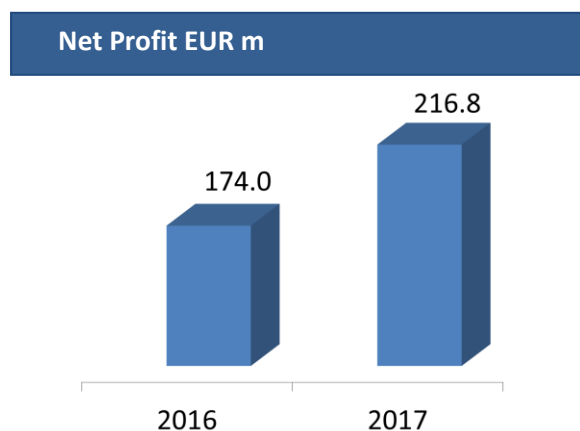
Start-up losses and restructuring costs as disclosed in the separately disclosed items² (SDI) amounted to EUR 43.5m, representing 7.8% of the total EBITDA generated by the mature businesses of the Group. These were mostly linked to the losses incurred via the massive acceleration of our start-up programme (30 new start-ups in 2017 alone), while restructuring and one-off costs linked to reorganization and discontinuations reduced slightly vs. the previous year. Overall our reported EBITDA amounted to EUR 513m, a +11% increase vs. the previous year.

Adjusted EBITAS⁴ amounted to EUR 400m, +12% vs. the previous year, despite an increase in depreciation and amortization (EUR 176m, 5.9% of our revenues) related to the elevated capital expenditures realized in recent years in order to build a hard to replicate global laboratories platform. Shared-based payment charges and net acquisition-related expenses decreased by 10bp vs. our revenues to 1.4% and EUR 41m, enabling us to generate a reported EBIT of EUR 297m.

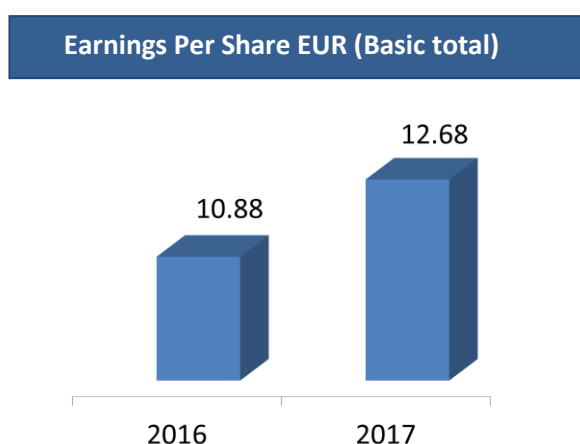
Finance costs decreased by 22% to EUR 55m, thanks to the early repayment of expensive debt instruments in the previous year and the issuance of a EUR 650m 7-year senior bond in July 2017 at the lowest coupon in the Group's history (2.125%).

The income tax expense for the FY 2017 is particularly low at EUR 31m, namely 12.5% of the profit before tax, mostly thanks to the one-time effect of fiscal reforms in the US and France, which created one-time adjustments on deferred tax liabilities.

Income tax paid was EUR 79m in 2017, a year-on-year increase of 8%. The reduction of income tax rates in the US and France should also be beneficial to Eurofins' cash paid taxes in the future.

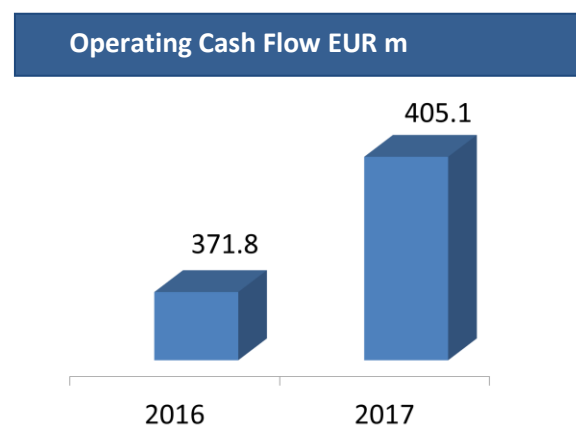


Net profit increased by over 25% to EUR 217m in the FY 2017. As a consequence, the basic reported earnings per share⁶ (EPS) increased to EUR 12.68, a +16.5% year-on-year increase, and the basic reported EPS attributable to equity holders increased by over 21% to EUR 10.49.



Cash Flow and Financing

Operating cash flow⁷ in the year 2017 grew by 9% to EUR 405m. Our net working capital represented 4.4% of the 2017 revenues, an increase of 70bp vs. the previous year, due to higher net working capital of companies acquired in 2017. On a like-for-like basis, our net working capital improved to 3.3% of our revenues in 2017.



Capital expenditures for 2017 amounted to EUR 213m, whereas net capex/sales ratio has decreased by 50bp to 7.2% of 2017 revenues due to the sale of one unneeded building obtained from an acquisition in prior years. Overall the Group objective remains to bring down its capex ratio to 6% of sales by 2020 after it completes its 2016-2020 global growth plan. Capital expenditures during the year were, among others, related to over 53,000m² of additional state-of-the-art laboratory surface, the launch of 30 new start-up laboratories, as well as continued development and deployment of the Group's new generation of IT solutions. The Group's high levels of capital spending in recent years are consistent with its commitment to strengthen its long-term competitive advantage by building a global state-of-the-art laboratory network and bespoke IT solutions.

Strong revenue and profit growth offset the increase in net capex, allowing Eurofins to generate robust cash flows in 2017, with free cash flow to the firm⁸ (before interest paid) increasing by 8.3% to EUR 192m, and free cash flow to equity (after interest paid) increasing by 16.6% to EUR 147m.

The Group significantly strengthened its capital structure in 2017 with the issuance of EUR 299m new shares at a zero discount vs the 1-month volume weighted average price (VWAP) in early November at EUR 543 per share and the issuance of a EUR 400m Hybrid instrument, structured for optimum equity qualification by rating agencies, bearing the lowest-ever hybrid coupon achieved by Eurofins (3.25%), shortly there-after.

At the end of December 2017, the Group's leverage ratio stood at 2.14x net debt/pro-forma adjusted EBITDA, with a net debt of EUR 1,395m, well below its debt covenant limit of 3.5x. The Group closed the year with a strong liquidity position, with EUR 820m of cash and cash equivalents on its balance sheet, and significant undrawn credit facilities, providing Eurofins with ample financial flexibility to respond to future attractive M&A opportunities, even above and beyond those included in its objectives to reach EUR 4bn revenues by 2019.

Business Developments

Acquisitions & Outsourcing

In 2017, Eurofins completed about 60 acquisitions to strengthen its leadership in existing markets, to further develop the Group's footprint in new geographies, and to enter new market segments within the Group's

areas of competency. Some of Eurofins' acquisitions during the year are discussed below.

In February, Eurofins acquired Ahma Ymparisto Oy, the second-largest environment testing laboratory in Finland. In the same month, Eurofins closed the acquisition of Villapharma in Spain, a provider of organic synthesis and medicinal chemistry services for the discovery and optimization of potential new drug candidates, reinforcing the Group's footprint in discovery pharmacology.

In March, Eurofins acquired Mechem Laboratories in Singapore, expanding the Group's food and environment testing footprints in Asia Pacific. In the same month, Eurofins acquired VBM Laboratoriet A/S, one of the leading laboratories for testing for the environment and construction materials sectors in Denmark, strengthening Eurofins' leadership in the Danish environmental testing market. Also, Eurofins acquired Gözlem Gıda Kontrol ve Araştırma Laboratuvarları ("Gözlem"), one of the leading food testing laboratories in Turkey. Gözlem provided Eurofins with a strong platform to accelerate the roll-out of its capabilities to serve the thriving food and beverage industry in Turkey.

In April, Eurofins acquired the analytical laboratory business of Ramboll Group, the environment testing market leader in Finland, comprising 5 laboratories specialized in environment testing. In May, Eurofins acquired Nab Labs Group Oy, one of the largest independent environment testing laboratories in Finland. As a result, together with the prior acquisitions of Ahma and the analytical businesses of Ramboll Group, Eurofins achieved a solid market leadership position in environment testing in Finland.

In June, Eurofins acquired Alphora Research Inc., a full service contract research, development and manufacturing organization (CRDMO) for complex and niche small molecule active pharmaceutical ingredients (APIs), based in Ontario, Canada. This transaction provided Eurofins with an entry into the dynamic and growing CDMO market and expanded Eurofins' leadership in biopharmaceutical services. In July, Eurofins acquired MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH, one of the largest clinical diagnostic providers in North Rhine-Westphalia, Germany. This acquisition provided Eurofins with an entry into the clinical diagnostic testing market in Germany. In the same month, Eurofins acquired Genoma Group Srl, one of the leading clinical genetics testing providers in Italy, strengthening Eurofins' specialty clinical diagnostics footprint. Moreover, Eurofins acquired GATC Biotech AG, one of Europe's main specialists in DNA sequencing. This transaction included the acquisition of the shares owned by GATC in LifeCodexx AG, Europe's first non-invasive prenatal testing (NIPT) provider. The acquisitions of Genoma and LifeCodexx, two pioneers of NIPT in Europe, reinforced Eurofins' significant emerging global market position in Clinical Genetics.

In August, Eurofins acquired DiscoverX, a leader in drug discovery products and services across all stages of discovery from target identification and lead discovery to preclinical and beyond. Together with the acquisition of Villapharma in February, DiscoverX helped Eurofins achieve a leadership position in

Discovery Pharmacology, a market that is experiencing a growing outsourcing trend.

In September, Eurofins completed the acquisition of Amatsigroup, a leading international contract development and manufacturing organization (CDMO) providing preclinical and clinical phase services for the development of human and veterinary drugs. The acquisition of Amatsigroup further expanded Eurofins' leadership in biopharmaceutical services.

In October, Eurofins acquired Advinus, a leading preclinical and clinical phase contract research company serving diverse industries including Biotech, Pharmaceuticals, Biologics, Agrochemicals, Nutraceuticals and Cosmetics. This transaction provides Eurofins with an entry into the Pharma and Agrosience testing markets in India. The acquisitions of Alphora in June, Amatsigroup in September and Advinus in October, led to the creation of a new business line for Eurofins: Pharma Contract Development and Manufacturing Organization (CDMO). Also in October, Eurofins acquired the Forensics and Security division of LGC ("LGC Forensics"), the largest player in the UK forensics market. LGC Forensics provides the most comprehensive range of forensic science services including casework, DNA testing, digital forensics, drugs and toxicology and firearms. As a result of this transaction, Eurofins achieved a leadership position in the European forensics market.

In November, Eurofins acquired Spectro Analytical Labs Ltd. ("Spectro"), a leading environment, analytical product testing and inspection company in India. The acquisition of Spectro provided Eurofins with a strong entry into the environment testing market in India.

In December, Eurofins successfully completed the acquisition of EAG Laboratories ("EAG") for USD 780m, the largest acquisition in Eurofins' history. EAG believes it is the largest independent US-centric platform in the testing, inspection and certification (TIC) market, and is a highly differentiated player in high-science analytical testing and consulting solutions. EAG serves three main markets, namely Material and Engineering Sciences, Agrosience and Biopharmaceuticals. The acquisition of EAG provides Eurofins an entry into the dynamic and growing Materials Sciences market, where EAG is number one in its core markets. Eurofins and EAG have almost no geographic overlap, and EAG has an EBITDA margin close to 30%. Therefore, the transaction is margin accretive for Eurofins.

End of December, Eurofins acquired Selcia Limited, a contract research provider of radiolabeling services in the UK and MET Laboratories, Inc., an independent National Recognized Testing Laboratory (NTRL) providing electrical testing, certifications, listing and labeling mark in the US (Baltimore, Santa Clara, Austin, Union City), China (Shenzhen), Taiwan (Taipei) and Korea (Seoul).

Total acquisition spend in 2017 was about EUR 1.5bn for combined total annualized revenues of ca. EUR 700m, with an annual EBITDA margin of ca. 19%.

As stated above, all acquisitions completed in 2017 taken as a whole should be immediately accretive to the Group's EBITDA margin.

Post-closing events

In January 2018, Eurofins completed 3 further acquisitions: Tsing Hua, one of the leading players in environment testing in Taiwan, Food Analytica, a leading group of food testing laboratories in Hungary, and Craft Technologies, a leading contract laboratory providing analysis of nutrients, vitamins, carotenoids, bioflavonoids and phytochemicals in the US.

In February 2018, Eurofins completed 3 further acquisitions: Labo Van Poucke, a leading Belgian laboratory performing human medical testing covering all branches of clinical biology, City Analysts Ltd., a leading provider of accredited water chemistry and microbiological testing in Ireland, and NMDL-LCPL, a specialized medical testing business providing molecular diagnostics and pathology laboratory services in the Netherlands.

Infrastructure

Between 2005 and 2017, Eurofins has added or brought to the most modern standards over 430,000m² of laboratory space. In 2017 only, Eurofins delivered over 53,000m² of new state-of-the-art laboratory surface, exceeding its objective to deliver 49,000m². This is a clear demonstration of Eurofins' commitment to continue to invest significantly in new buildings, extensions and renovations to build the largest and most efficient state-of-the-art laboratory network in its industry. Eurofins has planned an additional ca. 99,000m² of expansion and modernization of its laboratory network for 2018 and another ca. 90,000m² in 2019. This should finalize the upgrade/extension of its historic perimeter.

In-line with the positive outlook in the US Biopharmaceutical testing market, plans to further expand Eurofins' laboratory campus in Lancaster are well underway. A new building with 15,500m² of surface area is expected to be completed by November 2018. A strategic expansion of Eurofins' global network of data centres is underway with two additional US locations planned to come on line in Atlanta, Georgia. These new data centers will bring better connectivity, enhanced scalability and capacity to accommodate the network demands of Eurofins American businesses. Additionally, in 2017, two Eurofins Microbiology sites were opened in Dallas (Texas) and North Kingstown (Rhode Island), Eurofins Food Microbiology expanded to Quebec (Canada), construction commenced for Eurofins Microbiology laboratories in Atlanta (Georgia), Fresno (California) and Colorado (Denver), and for a new dairy and contaminants laboratory in Fresno (California).

Eurofins Agrosience Services opened a new field base facility in the O'Higgins region of Chile; the new facility is located in a prime position to offer trials on the region's most significant agricultural crops. Expansion is underway to build a service delivery centre in San Jose, Costa Rica, to deliver offshore IT services for North and South America. This will be Eurofins' third service delivery centre, following one in Bangalore (India) and one in Penang (Malaysia).

Following the acquisition of Gözlem in March, all of Eurofins' operations in Turkey were transferred to Gözlem's food control laboratory in Istanbul. This move to consolidate several small sites in Turkey has united all of Eurofins Turkey sales capabilities under

one roof, with the objective to increase Eurofins' penetration in to the Turkish food testing market.

Eurofins successfully completed the relocation of its main Chinese food testing laboratory in Suzhou to a new site with over 3,600m² of surface area. The new laboratory was designed using the Group's lean concepts which are applied across its modernized laboratory network. Moreover, Eurofins also completed the expansion of its product testing laboratory in Hangzhou, China.

In India, Eurofins Advinus has ambitious expansion plans, planning a new bio-analysis laboratory of 1,400m² to double their existing capacity, as well as an expansion of its chemistry and manufacturing control services laboratory and an expansion of its agro chemical services analytical R&D laboratory.

In Australia and New Zealand, Eurofins successfully opened an air toxics laboratory to expand the Group's portfolio of environment testing services in this geography by transferring proprietary technologies from its US operations. Eurofins also opened a new Asbestos testing laboratory in Q4 2017 in Christchurch, New Zealand. In October 2017, Eurofins has begun the construction project of a new laboratory in Melbourne, Australia, which will become Eurofins' largest campus in Australia and New Zealand. In Q4 2018, this new 6,000m² laboratory will consolidate, under one roof, all of Eurofins' food and environment testing businesses in Melbourne. The campus can potentially be expanded to 12,500m². Eurofins Agrotesting in New Zealand is undergoing redesign efforts of its laboratories in Katikati and Te Puke. Three water testing satellite laboratories were opened in New Zealand, in Auckland, Christchurch and Dunedin. Finally, all of Eurofins' animal health businesses in the region were consolidated into one single entity in Australia, becoming the premier contract research organization (CRO) entirely dedicated to veterinary projects.

In the UK & Ireland, Eurofins opened a new pharmaceutical chemistry, microbiology and water microbiology facility in Livingston, Scotland, following a GBP 4m investment. The testing capacity and capabilities of Eurofins' Grimsby food facility, acquired from Exova in 2016, underwent a significant expansion in 2017. Furthermore, Eurofins York, acquired earlier this year in July, officially opened in December its brand new state-of-the-art testing laboratory in Castleford near Leeds. Eurofins Biomnis expanded its clinical diagnostics operations in the UK, with the development of a new laboratory that will be located in the existing Eurofins site in Camberley. Finally, consolidation efforts led to Eurofins' Birmingham activities being transferred to the large site in Wolverhampton.

In Belgium, Ghent forensics activities have been successfully transferred to our main forensics laboratory in Bruges. In France, Eurofins inaugurated a 9,500m² extension to its first-ever laboratory in Nantes, bringing total size of the campus to 23,640m² making it the largest independent food testing laboratory site in Europe and one of the largest worldwide alongside Eurofins Hamburg. The new laboratory layout is expected to significantly improve efficiency, scalability and turn-around-times, as well as increase the breadth of service offerings in Nantes.

Start-ups

Start-ups or green-field laboratories are generally undertaken in new markets, and in particular emerging markets, where there are often limited viable options for acquisitions or in developed markets when Eurofins transfers technology developed by its R&D and Competence Centers abroad or expands geographically.

Eurofins made record investments in 2017 in its laboratories start-up programme with 30 new start-ups launched in the year 2017 alone, bringing the total number of start-up laboratories opened since 2014 to 87 and to 130 since the year 2000.

These start-up laboratories had a strong accretive effect of more than 40bp on Eurofins' organic growth in 2017, representing a revenue contribution of almost EUR 190m ie. more than 6% of the Group's consolidated revenue.

During their ramp-up phase, start-up activities go through various stages of development before reaching optimal efficiency levels. On average, start-up periods last for 2 to 3 years in mature markets and 2 to 5 years in emerging markets in order to reach breakeven before they become profitable. The development process includes the creation or construction of the laboratory, hiring the appropriate staff, obtaining relevant accreditations and clients' approval, deployment of the Group's proprietary IT infrastructure and dedicated IT solutions, developing the sales and marketing channels, and building up volumes and the revenue base.

Consequently, in terms of profitability, the start-ups from the first two programmes (2000-2009, 2010-2013) were slightly above the Group's average in 2017, while the ones from our third programme (2014-2017) were very dilutive.

From Eurofins third start-up programme, out of the 87 start-up laboratories opened since 2014:

- 24 were opened in Asia Pacific (Australia, China, India, New Zealand, Singapore, Taiwan to name a few), 40 in Europe (France, Belgium, Netherlands, Hungary, Poland, Turkey, Ukraine etc.), 4 in Latin America (Brazil, Chile, Argentina) and 19 in North America (US, Canada);
- 35 were opened to enhance Eurofins Food testing capabilities across all geographies, 27 in Environment testing, 12 in Biopharma, Agrosience and Genomics services and 13 in other business lines such as Clinical diagnostics and Consumer Product testing services.

Eurofins start-up programme represents a significant investment for the future and has a short-term dilutive impact on the Group's margins and cash flows. However these long-term oriented investments complement the Group's acquisition strategy in high-growth markets or where acquisition prices are too high for acquisitions to provide appropriate returns.

Outlook

Eurofins' management raises once again its objectives for 2018, which were already raised once in October 2017, from annual revenues of EUR 3.6bn to

EUR 3.7bn, and sets its adjusted EBITDA objective to EUR 700m in 2018, at 2017 currency exchange rates, assuming the Group reaches its objectives of generating 5% organic growth and EUR 200m annual revenues from new acquisitions (on an annual pro-forma basis, only partially consolidated in 2018, at mid-year on average).

Underlying trends remain positive across the Group's businesses, and Eurofins' management believes that the Group is on track to achieve its recently-upgraded mid-term objective of reaching EUR 4bn revenues by 2019. Should this be achieved, Eurofins would have doubled in size once again in only 4 years.

¹ Adjusted – reflects the ongoing performance of the mature and recurring activities excluding “separately disclosed items”.

² Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, discontinued activities, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects and the related tax effects. (Details in Note 2.3 of the 2017 Consolidated Financial Statements).

³ EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, discontinued activities, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

⁴ EBITAS – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, discontinued activities, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

⁵ Net Profit – Net profit for equity holders after non-controlling interests but before payment to Hybrid capital holders

⁶ Basic EPS – earnings per share (basic) total (to equity holders before payment of dividends to Hybrid capital holders)

⁷ Operating Cash Flow – Net cash provided by operating activities (after tax)

⁸ Free Cash Flow to the Firm – Operating Cash Flow, less Net capex

⁹ Free Cash Flow to equity – Free Cash Flow to the Firm, less Change in investments and financial assets, net and, interest paid net of interest received

¹⁰ Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates but excluding discontinued activities.

For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.

Eurofins provides in the Income Statement certain alternative performance measures (non-IFRS information such as “Adjusted Results and Separately Disclosed Items”) that exclude certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. (Refer to description of Separately Disclosed Items).

In addition, Eurofins shows the following two earnings measures in the Income Statement with the objective to be close and consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector: EBITDA³ & EBITAS⁴ and provides as non-IFRS measure the Organic growth¹⁰, the Free Cash Flow to the Firm⁸, the Free Cash Flow to equity⁹ for a given period.

Management believes that providing these alternative performance measures enhances investors' understanding of the company's core operating results and future prospects, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts and to the performance of our competitors. This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS.

Dated February 27, 2018

5 Non-Financial Statement

Eurofins' business model is described in detail in section I.3 "The business". In pursuing this business model, Eurofins is committed to the highest ethical standards in conducting its business and to operating in a socially responsible manner.

As described in section II.1.1.7 "Compliance: the Group Code of Ethics", the Group's mission, vision, leadership charter, key policies and values and the "Group Code of Ethics" determine the behaviours and professional conduct expected from employees and leaders of the Group's companies. These documents represent key Eurofins' standards for all Directors and employees of Eurofins companies and make compliance a core responsibility for everyone within the Eurofins Group.

Environmental Matters

We strive to meet the challenges presented by environmental impact. Wherever possible we will prevent, or otherwise minimise, mitigate and remediate, harmful effects of our operations on the environment. We will promote, encourage and prioritise re-use and re-cycling methods throughout our business.

At Eurofins, we are committed to identifying and encouraging adoption of best practices for environmental protection and sustainability across our sites. In general, the activity of Eurofins as a provider of testing and analysis services necessitates the use of limited amounts of water, raw material and energy (principally electricity).

Several Eurofins laboratories have developed and set up dedicated training programmes to good practice in terms of environmental risk management (e.g. safe use of chemicals and their application, proper waste disposal, autoclaving systems for decontamination, etc.).

Eurofins actively encourages its business leaders to introduce and adopt best practices to ensure that our sites and operations are consistent with our mission of contributing to health and safety, which includes protection of the environment. Our flagship laboratory in Lancaster, PA, for example, has undertaken the following commitments:

- Reduction of carbon footprint by over 25,000 pounds of CO₂ annually.
- Procurement of 100% renewable electricity for its 259,000 square-foot facility.
- Efforts to update lab equipment with new ENERGY STAR® rated equipment when possible.
- Water monitoring programmes that have already led to significant reduction in water consumption at the site.
- Energy conservation efforts such as the use of CFL, T8 replacements and LED lightning; installation of motion sensors in offices, restrooms and hallways to turn off lights during times of inactivity; signage on fume hoods to prompt employees to lower sashes when not in use and reminders to turn off

computers/monitors when not in use. These measures have reduced the overall heat load in the buildings by approximately 40 tons/year.

- Implementation of a user-friendly, campus-wide recycling programme. In addition to recycling aluminium, plastic and glass, Eurofins Lancaster Laboratories also recycles cardboard, batteries, magazines and stainless steel/HPLC columns. The company also partners with a local organization to recycle electronics.

The principal risks related to environmental matters and Eurofins' operations are described in detail in section I.6.4 "Risk Factors – Industrial risks", including how Eurofins manages those risks.

As a result of the decentralized structure of the Group, there is no central monitoring or measurements in place to determine the outcome of our policies. Local business unit leaders are encouraged to implement policies and measurement systems locally. Across our businesses, we strongly encourage environmentally conscious choices in an effort to reduce our impact on the environment.

Several sites have established teams of environmentally conscious employees who work together to reduce consumption, encourage recycling, promote conservation and educate the workforce for the goals of improving the efficiency, reducing costs and minimizing the environmental impact of our operations. Some of the laboratories have their own department or person responsible for safety ("Safety Officer") which carries out regular inspection and internal training on the issues of safety and the protection of the environment.

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

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

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

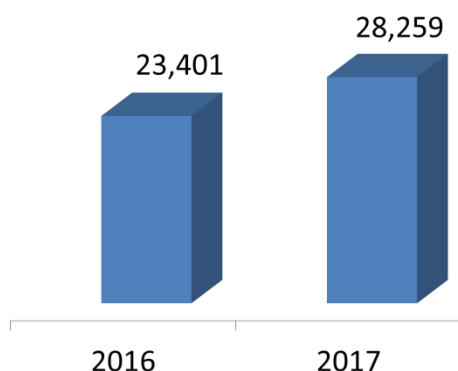
Social & Employee Matters

We work to encourage leaders of Eurofins' companies to ensure that the relationships with and between their employees are respectful, honest, safe and professional. Our businesses and all their employees should respect the different cultures, traditions, laws and employment practices of the communities they do business in. We share common goals in this matter and are committed to good corporate values and ethical behaviour. We strive to recognise achievement and to create equal opportunities for all employees at all levels of our businesses. In dealing with our

employees we strive to act in compliance with national regulatory requirements and our obligations under the relevant national/international laws.

The principal risks related to social & employee matters and Eurofins' operations are described in detail in section 1.6.5 "Risk Factors – Other risks", including how Eurofins manages those risks.

Average Number of Full Time Employees



The Group's total headcount at the end of the year was 34,651, with more than 85% on permanent contracts. The average weighted number of employees, expressed as full time equivalent (FTE), was 28,259, a 21% increase from 2016, primarily due to the increase in the total size of the Group, and in particular the multiple acquisitions during the course of the year. The geographical distribution of Eurofins' FTEs is as follows:

FTE by Region

	2017	2016
North America	6,660	5,763
France	5,768	5,189
Germany	3,585	2,988
Benelux	2,256	1,983
Nordic Region	1,633	1,259
UK & Ireland	1,739	1,253
Other	6,619	4,966
Total	28,259	23,401

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

One of the internal communications tools, in the food, environment and part of the pharmaceutical products testing laboratories, ComLIMS, is continually upgraded, in order to give access to and speed up the dissemination of scientific, technical and commercial information about the Group's portfolio of services. ComLIMS now has around 4,000 trained users with regular access within the Group. Eurofins also operates various other electronic document management systems to disseminate information to its targeted internal audience.

From its new recruitments, the Group welcomes every year new experienced leaders during a week-long training programme called New Leaders Introduction Tour, in order to give them some of the necessary tools and understanding to succeed in the Group. Eurofins also launched its High Potential (HP) and Top Graduate (TG) programme in 2010, designed to attract, train and develop management skills of young talented individuals who may become future top leaders at Eurofins. Since inception, as many as 1,400 young leaders have been through the Group's HP-TG programme, which has produced some 200 leaders involved in managing a total of EUR 1.5bn of revenues for the Group.

Human Rights

We strive to support human rights consistent with the stipulations contained within the Universal Declaration of Human Rights, and we remain committed to upholding these principles through the conduct of our activities throughout the world.

We will encourage the leaders of Eurofins' companies to endeavour to ensure that these commitments extend to all of their supply chains, and that they work with their suppliers and customers to include them in their contractual requirements.

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

Locally, many of Eurofins' subsidiaries and laboratories engage in social activities and donate to charitable organisations independently, over and above those undertaken at Group level.

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

For more information on this topic, please visit <https://www.eurofins.com/about-us/corporate-social-responsibility/charitable-donations/>.

In 2017, as part of the Group's 30th Anniversary, our employees picked over 40 charities in many countries that align to Eurofins' mission of 'contributing to a safer and healthier world for all, across the following five areas: better nutrition, protecting ecosystems, improving health, social entrepreneurship and local communities.

For more information on this topic, please visit <https://www.eurofins.com/30th-anniversary/charitable-donations/>

6 Risk Factors

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

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

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

Where mitigations are mentioned in the following list, there is no guarantee that such mitigation actions will be effective, in whole or in part, to remove or reduce the effect of the risk. Some specific risks are also mentioned in the notes to the periodical financial statements.

1. Commercial Risks

Changes in the Market

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

In 2017, the global economy, especially in Europe, continued to struggle with sluggish growth and persistent uncertainty. The slower growth and consequent funding squeeze may negatively impact some of Eurofins' customers, or governments may be forced to suspend or revoke regulations and reduce testing frequency to ease financial burden, which would directly impact our industry. If this were to be the case then the impact on Eurofins' net worth, financial position and operating results could be severe, including the remote possibility of a cessation of the business.

Regulations and the Regulatory Environment

Eurofins also has businesses where regulatory supervision extends not only to the analytical process, but also to fee structures and/or schedules.

This is particularly relevant in the clinical diagnostics market, where third-party payers, such as government/healthcare agencies and insurers have increased their efforts to control the cost, utilization and delivery of health care services. Reductions of reimbursement from these third-party payers, changes in policy regarding coverage of tests or other requirements for payment, such as prior authorization from a physician or the payer or qualified practitioner's signature on test requisitions, may have a material adverse impact on the Company's business.

General Regulatory Risk

Many of the services Eurofins provides and the conduct of such services are subject to or influenced by laws and regulations that highly regulate the Group's business or the businesses of the Group's customers. Future government policies may adversely affect the supply of, demand for, and prices of Group services; restrict Eurofins' ability to do business in its existing and target markets; and adversely affect the Group's revenues and operating results. Eurofins' operating results could be affected by changes in other governmental policies, mandates, and regulations including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes, enforceability of legal agreements and judgments, and adverse tax, administrative agency or judicial outcomes. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit our ability to transact business in individual markets and could adversely affect our revenues and operating results.

Certain Service Line Regulatory Risk

Certain of the Group's service lines are subject to more stringent legal and regulatory requirements governing such activities, and the Group or its subsidiaries may face substantial fines and penalties, and such service line business activities may be impacted, if we fail to comply. In particular, the Group's medical diagnostic business is subject to or impacted by extensive and frequently changing healthcare laws and regulations, (especially in the United States at both the federal and state levels and in France), as well as in other jurisdictions in which the Group engages in such business. While Eurofins seek to conduct our medical diagnostic business in compliance with all applicable laws regulating such business, many of the laws and regulations applicable to such business, especially in the US and France, are vague or indefinite and have not always been fully or partly interpreted by courts, including many of those relating to:

- billing and reimbursement of clinical testing;
- certification or licensure of clinical laboratories;
- the anti-self-referral and anti-kickback laws and regulations;
- the laws and regulations administered by the Food and Drug Administration ("FDA");
- the corporate practice of medicine;
- operational, personnel and quality requirements intended to ensure that clinical testing services are accurate, reliable and timely;
- physician fee splitting;
- relationships with physicians and hospitals;
- safety and health of laboratory employees;
- protection of patient's data;
- handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials; and
- the control of laboratories by medical "biologists" practitioners in France.

These laws and regulations applicable to Eurofins activity may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require us to make changes in our operations, including our pricing and/or billing practices. We may not be able to maintain, renew or secure required permits, licenses or any other regulatory approvals needed to operate our medical diagnostic or other businesses. If we fail to comply with applicable laws and regulations, or if we fail to maintain, renew or obtain necessary permits, licenses and approvals, we could suffer civil and criminal penalties, fines, financial claims, exclusion from participation in governmental healthcare programmes and the loss of various licenses, certificates and authorizations necessary to operate our medical diagnostic and/or other businesses, as well as incur additional liabilities from third-party claims. If any of the foregoing were to occur, our reputation could be damaged and important business relationships with third parties could be adversely affected.

Some of our businesses may from time to time receive requests for information from governmental authorities (and occasionally subpoenas in US). For example, several companies in the cardiac biomarker laboratory services business, including the Group's Boston Heart Diagnostics (BHD) subsidiary, are currently cooperating with investigations that the US Department of Health and

Human Services, Office of Inspector General (OIG), is conducting in conjunction with the US Department of Justice (DOJ) related, in part, to payments made to physicians for services performed in connection with blood specimen processing and handling services. Two *qui tam* cases were filed against BHD. The US government declined to intervene in these for the time being but one or both of these cases may continue for a long time and may create a liability / cost in excess of the indemnified recoverable values from the acquisition of BHD. Although BHD is fully cooperating with the OIG and DOJ and vigorously defending the *qui tam* suits, neither BHD nor the Group can at this time estimate what, if any, impact these matters and any results from these matters could have on our bioanalytics business in general or our medical diagnostics business in particular. We also are subject in the US from time to time to *qui tam* claims brought by former employees or other "whistleblowers." The governments and insurance companies continue to strengthen their scrutiny and enforcement efforts against perceived healthcare fraud. Legislative provisions relating to healthcare fraud and abuse provide government enforcement personnel substantially increased funding, powers, penalties, and remedies to pursue suspected cases of fraud and abuse. In addition, the US Government has substantial leverage in negotiating settlements since the amount of potential damages far exceeds the rates at which we are reimbursed for our services, and the government has the remedy of excluding a non-compliant provider from participation in the Medicare and Medicaid programmes. Regardless of merit or eventual outcome, these types of investigations and related litigation can result in:

- diversion of management time and attention;
- expenditure of large amounts of cash on legal fees, costs and payment of damages;
- limitations on our ability to continue some of our operations;
- enforcement actions, fines and penalties or the assertion of private litigation claims and damages;
- decreased demand for our services ; and/or
- injury to our reputation.

Although Eurofins believes that Group companies are in compliance, in all material respects, with applicable laws and regulations with respect to our medical diagnostic services, both in the US and in other countries where Eurofins operate, there can be no assurance that a regulatory agency or court would not reach a different conclusion. Moreover, even when an investigation is resolved favorably, the process may be time-consuming and the legal costs and diversion of management focus may be extensive. Insurance companies covering health care costs may also refuse payments to Eurofins

companies, threaten or launch legal actions, in connection to violation of laws or their policies. Changes in applicable laws and regulations with respect to our medical diagnostic business or our other service lines may result in existing practices becoming more restricted, or subject existing or proposed services to additional costs, delay, modification, withdrawal or reconsideration. Such changes also could require Eurofins' companies to modify their business objectives.

Regulatory Approval, Accreditation and Professional Licensing Risks

Eurofins is required to obtain and hold permits, licenses and other regulatory approvals from, and to comply with operating and security standards of, numerous governmental bodies. Failure to maintain or renew necessary permits, licenses or approvals, or to comply with required standards, could have an adverse effect on our results of operations and financial condition. Group customers may require evidence of various professional licensing and accreditation as part of their selection of a provider of bioanalytical services and various governmental and regulatory authorities may mandate certain accreditations and professional licensing in connection with the performance of various services, especially with regard to the medical diagnostics market. Although Eurofins believe its operations are in compliance with all material accreditation and professional licensing requirements, there can be no assurance that it will always be able to obtain accreditations and professional licenses necessary or desirable for its business in each jurisdiction in which it operates or seeks to operate. A material delay in obtaining, the failure to obtain, or the withdrawal or revocation of material licenses, approvals, or other authorizations could have a material adverse effect on individual operations within the Group or, more broadly, could have a negative effect on the Group's overall operations.

Deregulation Risk

From time to time efforts are made to limit or prohibit the disclosure of information that might be revealed by various bioanalytical testing we offer or may offer in the future. For example, in the United States various groups oppose mandatory and/or voluntarily labeling of genetically modified (GMO) foods. Likewise various groups and governments have opposed mandatory and/or voluntarily labeling of the country of origin for assorted foods, including pursuant to various international trade agreements. Although Eurofins deems it to be unlikely, a material relaxation of certain regulations or a prohibition on certain types of disclosure could have a negative impact on the demand for, or growth of, certain of our services. Likewise, our toxicology testing businesses, which currently compose a small part of the Group's overall business, could be negatively affected by a ban on or limitations on this type of testing in specific jurisdictions or by other successful actions taken by groups opposed to such testing. Changes in regulations that, for example, streamline procedures or relax approval standards with respect

to pharmaceuticals could reduce the need for our pharmaceutical bioanalytics services. If companies regulated by the FDA and other national regulatory authorities where Eurofins operates were subject to such deregulation, we could have fewer business opportunities and our revenues could decrease, possibly materially. Despite the foregoing and similar actions, Eurofins believes the current trend of increasing demand for verification and security is more likely to lead to greater regulation of, and disclosure with respect to, products subject to bioanalytical testing.

Customer and Credit Risk

The clients of Eurofins are very varied in number, in size and in location. They belong to top global companies (e.g. global food & beverages producers, or retailers for our Food & Feed testing activities; 9 out of the top 10 global pharmaceutical companies for our Biopharma testing activities; consulting and sampling companies for our Environmental testing activities) as well as small independent companies in each segment.

Eurofins' performance and value are influenced by many stakeholders, including employees, customers, suppliers and strategic partners. To minimise risk and exposure Eurofins does not rely on a single customer or supplier contract. There are at present no significant dependencies on suppliers or individual customers. Nonetheless, whilst the Eurofins Group is not dependent on any one external entity, certain subsidiaries may have more significant exposure to one client, or a small group of clients, relative to the size of those subsidiaries. In 2017, no customer was responsible for more than 2% of overall Group sales.

The majority of our customers' contracts can be terminated upon short notice. Customers terminate or delay their contracts for a variety of reasons. The loss, reduction in scope or delay of a large contract or the loss or delay of multiple contracts could adversely affect our business, although our contracts frequently entitle us to receive the costs of winding down the terminated projects, as well as all fees earned by us up to the time of termination. Some contracts also entitle us to a termination fee but this is not always or often the case. Eurofins believes its customer base is diverse. Furthermore, based on the general credit profile and quality of the Group's customers, Eurofins believes the risk of bad debts or the insolvency of its customers is generally low. Eurofins periodically reviews its customer accounts and considers its provision for doubtful accounts and bad debts to be appropriate. Severe or long-lasting adverse changes in the global economy in general or in particular individual markets could have an adverse effect on our customers and, in turn, increase the Group's credit risk or decrease the demand for its services.

Contractor and Supplier Risks

Successful delivery of Eurofins' services to its customers is dependent on complex technologies utilizing equipment and materials from multiple

suppliers. Failure to deliver services may lead to a reduction in Eurofin's expected revenue and could impact the Company's credibility to both existing and potential customers. Therefore stability in the business strategies of the Company's suppliers is also important to the successful functioning of Eurofins.

The Company utilizes certain third party contractors, vendors, and suppliers in the ordinary course of its business. Individual laboratories subcontract on an *ad hoc* basis for specific technical know-how or services, to address production capacity demands or limitations or for other reasons related to specific applications or services. The main suppliers to the business are in the following main categories: laboratory equipment, laboratory consumables (these first two often overlap), information technology (IT), and logistics. In each category, the Group utilizes multiple suppliers and does not believe it is dependent on any major supplier.

The Group believes there are currently additional available subcontractors, vendors, and suppliers for all of our subcontracted service needs, laboratory equipment and consumables supply needs, and contracted IT needs. However, a full range of subcontract services, suppliers, and vendors may not be locally available in all of the Group's markets and localized disruptions could adversely affect our operations for a limited period of time. The Group seeks to minimize its subcontractor, vendor, and supplier risk through a professional sourcing and contracting process and in-house production capacity for some critical items. During the sourcing process, the Group reviews the risk profile of most major vendors and assesses the criticality and availability of their services and supplies to the Group Business. Despite these initiatives, plans, and procedures, such measures may not be adequate or implemented properly or sufficiently to prevent business disruption in every instance or major price increase by or dependency from certain suppliers, and Eurofins is subject to various risks and potential liability in the case of errors by its subcontractors.

Market Expansion, Establishment of New Companies and Business Segments, Internationalisation

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

Expansion and Acquisition Risks

It is the strategic approach of Eurofins to acquire companies, new laboratories, and technologies in order to obtain access to complementary technologies and to expand the Group's market position in Europe, North America, and Asia as well as in other parts of the world. Our business has experienced substantial expansion in the past and such expansion and any future expansion could strain Group resources if not properly managed. Future rapid expansion could strain Group operational, human, and financial resources. In order to manage expansion, Eurofins must:

- continue to improve operating, administrative, and information systems;
- accurately predict future personnel and resource needs to meet customer commitments;
- track the progress of ongoing client projects; and
- attract and retain qualified management, sales, professional, scientific, and technical operating personnel.

If Eurofins does not take these actions and is not able to manage the expanded business, the expanded business may be less successful than anticipated. Eurofins may be required to allocate existing or future resources to the expanded business, that in either case, the Group would have otherwise allocated to another part of our business. Some of the companies we acquire may not develop as planned, breach agreements with clients or regulatory or accounting rules and even ultimately fail. This could cause major financial losses and the need for substantial write offs for Eurofins.

If Eurofins is unable to successfully execute its acquisition strategies and successfully integrate acquired businesses, our business, results of operations and financial condition could be adversely impacted. Historically, Eurofins' growth strategy has been based in part on our ability to acquire existing businesses, services or technologies. We do not know whether in the future we will be able to:

- identify suitable businesses or technologies to buy;
- successfully perform business diligence and identify all materials risks associated with the acquisition;
- complete the purchase of any such businesses or technologies on terms acceptable to Eurofins;
- successfully integrate the operations of acquired businesses into the Group;

- obtain financing necessary for an acquisition at all or on commercially acceptable terms; or
- retain key personnel and customers of acquired businesses.

We compete with other potential buyers for the acquisition of existing businesses and technology. This competition may result in fewer opportunities to purchase companies that are for sale. It may also result in higher purchase prices for the businesses that we want to purchase. We may also spend time and money investigating and negotiating with potential acquisition targets but not complete the transaction. Any future or past acquisition could involve other risks, including liability risks and reputational damage to the Group as a result of unprofessional or lower quality business practices of acquired operations, the assumption of additional liabilities and expenses, issuances of potentially dilutive securities or interest-bearing debt, transaction costs, and diversion of management's attention from other business concerns.

From time to time, Eurofins may enter into contingent agreements such as an earn-out agreement with the sellers of acquired companies for which calculations are typically based on the fulfilment of certain conditions by a pre-determined date. From time to time, such agreements lead to disputes, or even litigation. It cannot be excluded that in the future that one or more of these disputes could cause costs above those provisioned in the Group accounts. For more information on such risks, please see the notes to the 2017 consolidated financial statements (note 3.14).

Competition

The bioanalytics industry is highly competitive. We often compete for business not only with other, often independent bioanalytics companies, but also with internal analytics departments within some of our customers or governments. If we do not compete successfully, especially with respect to the competitive advantage of outsourcing analytics requirements to companies such as ours, our business will suffer. The industry is highly fragmented, with numerous smaller specialized companies and a handful of full-service companies with global capabilities similar to ours.

Increased competition might lead to price and other forms of competition that might adversely affect our operating results. As a result of competitive pressures, our industry has experienced consolidation in recent years and we expect such trend toward consolidation to continue. This trend is likely to produce more competition among the larger companies for both customers and acquisition candidates. Bioanalytic testing companies generally compete on:

- regulatory compliance record;
- reputation for on-time quality performance;
- quality systems;

- previous experience;
- medical and scientific expertise in specific testing and diagnostic areas;
- scope of services;
- quality of data and related services;
- financial viability;
- database management;
- statistical and regulatory services;
- ability to recruit scientists and other personnel;
- ability to integrate information technology with systems to optimize research efficiency;
- accreditation and quality of facilities;
- international presence with strategically located facilities; and
- price.

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

Some of the current and potential competitors have longer business experience or greater financial resources or marketing capacities at their disposal than Eurofins. Some have a better-known name in their market segment and a larger customer base. Eurofins proceeds from the assumption that the market for the supply of analytical testing methods will become more concentrated.

It also cannot be ruled out that financially powerful market participants, such as food or water companies or other large corporations may enter into competition with Eurofins and create challenges that Eurofins will have to overcome.

Cost Pressures, Price Falls and Profit Margins

As a result of competition and improvement of testing technologies, test prices do and can fall, especially for the most common and standard tests. It is impossible to rule out further significant price reductions in the market for food, pharmaceutical, clinical, environmental analysis or other markets Eurofins is operating in. At the same time, due to factors such as inflation, Eurofins' costs could grow due to increased expenses for personnel, materials and other supplies/resources. Although Eurofins will attempt to maintain or improve profit margins

through measures to increase scale and cost efficiency, there can be no certainty that Eurofins' profit margins may not significantly decrease in the future. Sustained erosion of its margins would have adverse effects on Eurofins' net worth, financial position and operating results and even its very existence.

2. Financial Risks

Liquidity Risk

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

In addition, Eurofins has successfully launched in September 2017 its NEU-CP (commercial paper) programme on the French market, giving it access to very competitive short-term funding.

Eurofins periodically carries out reviews of the liquidity risk and considers itself able to face its current financial obligations. In regards to the current economic environment it should be noted that Eurofins and its subsidiaries are compliant with the criteria of the most important respective lines of credit and at this time do not anticipate any particular liquidity problems or issues regarding the financial covenants within the near future.

The Group's ability to generate sufficient cash flows from operations to make scheduled payments on our debt obligations will depend on our future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If Eurofins is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, Eurofins could be forced to reduce or delay the completion or expansion of new laboratories and technologies, sell assets, obtain additional equity capital, or refinance or restructure its debt.

In order to finance parts of the acquisition and expansion costs, the Company and its subsidiaries have entered into several loan and credit facility agreements as described in this report. Such loans and facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans and facilities with a variable interest rate in the Company and in some of its subsidiaries are from time to time hedged by various financial instruments (e.g., swap with a fixed rate or cap with a maximum interest rate covering a certain period). However, as there are certain lines of credit that are still based on a variable rate, it cannot be excluded that the interest rate concerning these loans will rise in the future. This could have an adverse effect on the Company's liquidity, financial position, and operating results.

For more information on financial risk management, please see the notes to the 2017 consolidated financial statements (note 4.2).

Future Capital Requirements Risk

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

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

Interest Rate Risk

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

Foreign Currency Risk

Eurofins' reported financial performance can be impacted by changes in foreign currencies (both transaction and translation related). To mitigate the Group's exposure to currency fluctuations, Eurofins might enter into several hedging contracts in order to limit the potential impact of adverse changes in foreign currency fluctuations. However, there are no guarantees that such contracts would be sufficient to fully protect the Group in the event of large volatility in one or more foreign currencies. Also hedging contracts entered into may have negative

consequences on its income statement and balance sheet (derivative accounting on hedging instruments) which could have a material adverse effect on the Group's net worth, financial position and operating results.

Counterparty Risk

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

To mitigate the counterparty risk, Eurofins endeavours to mainly deal with recognised financial institutions with an appropriate credit rating. All counterparties are generally financial institutions which are regulated and controlled by the national financial supervisory authorities in their respective countries.

For more information on market and counterparty risks, please see the notes to the 2017 consolidated financial statements (note 4.5).

Revenues and Results Variability

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

3. Technological Risks

Rapid Technological Change Risks

The Group's future success depends on our ability to keep pace with rapid technological changes that could make our services and products less competitive or obsolete. The bioanalytics industry generally and, more specifically, biologic, genomics, and medical testing are subject to increasingly rapid technological changes. Our competitors or others

might develop technologies, services or products that are more effective or commercially attractive than our current or future technologies, services or products, or that render our technologies, services or products less competitive or obsolete. If competitors introduce superior technologies, services or products and we cannot make enhancements to ours to remain competitive, our competitive position and, in turn, our business, revenues, and financial condition, would be materially and adversely affected.

Patents

Our bioanalytics business is dependent, in part, on our ability to obtain patents in various jurisdictions on our current and future technologies and services, to defend our patents and protect our trade secrets and to operate without infringing on the proprietary rights of others. There can be no assurance that our patents will not be challenged by third parties or that, if challenged, those patents will be held valid. In addition, there can be no assurance that any technologies or products developed by us will not be challenged by third parties owning patent rights and, if challenged, will be held not to infringe on those patent rights. The expense involved in any patent litigation can be significant. We also rely on unpatented proprietary technology, and there can be no assurance that others will not independently develop or obtain similar products or technologies.

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

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

operate with a corresponding negative impact on Eurofins' operations or results of operations.

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 judgment.

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

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

Licenses and Research Contracts

Eurofins' business involves entering into license, collaboration and other agreements with third parties relating to the development of the technologies and products both as licensor and licensee. There is no guarantee that Eurofins will be able to negotiate commercially acceptable licenses or other agreements necessary for the future exploitation of its technologies and products or that any of its licenses or other agreements will be successful. In addition, there is no guarantee that Eurofins' collaborative partners will not pursue or develop competing technologies or products, either

on their own or in collaboration with others. Eurofins' license agreements are generally for a fixed term and, prior to the expiry of such term, may be terminated in certain circumstances, some of which may be beyond the control of Eurofins. There is no certainty that license agreements that expire or are terminated will be renewed or replaced which could have an adverse effect on Eurofins' business, financial condition, operating results and prospects.

Information Security Risks

Attacks on our IT systems, or failure or delays in these systems or their interconnections, including failures resulting from our systems could disrupt our operations and cause the loss of confidential information, customers and business opportunities or otherwise adversely impact our business.

IT systems are used extensively in virtually all aspects of our business, including clinical testing, test reporting, billing, customer service, logistics, and management of data. Our success depends, in part, on the continued and uninterrupted performance of our IT systems. IT systems may be vulnerable to damage, disruptions and shutdown from a variety of sources, including telecommunications or network failures, human acts, and natural disasters. Unauthorized persons may seek to obtain intellectual property and other confidential information like client or patient data that we house on our IT systems. Moreover, despite the security measures we have implemented, our IT systems may be subject to physical or electronic intrusions, computer viruses, unauthorized tampering and similar disruptive problems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services, customer orders and day-to-day management of our business and could result in the corruption or loss of data and ultimately to the failure of our operations.

While we have disaster recovery plans for parts of our operations, and are continuously extending those plans and updating our methodologies and have taken precautionary measures to prevent or minimize vulnerabilities in our IT systems, including the loss or theft of intellectual property and other confidential information that we house on our systems, they might not adequately protect us. Since 2013, we have continued to update and upgrade our IT systems and strengthen precautionary measures to reduce the risk of, and to detect and respond to, future cyber threats including through regular monitoring of our systems and implementation of various "best practices". Since 2017 we have elevated the resilience of our global infrastructure with the introduction of Intrusion Detection Systems (IDS) and Security Information and Event Management systems (SIEM). Monitoring and operations of many of our systems is ensured 24x7 from multiple IT service delivery centers around the globe. However, cyber threats and the consequences of human error or system failures are constantly evolving, thereby increasing the difficulty of detecting and successfully defending against them. Breaches of our network or data security

could disrupt the security of our internal systems and business applications, impair our ability to provide services to our customers, compromise intellectual property or confidential information or otherwise adversely impact our business. There can be no assurances that our precautionary measures will prevent or successfully defend against cyber threats, human errors or system failures that could have a significant impact on our business. Despite any precautions we take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our computer facilities could result in interruptions in the flow of data to our servers and from our servers to our customers. In addition, any failure by our computer environment to provide our required data communications capacity could result in interruptions in our service. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to an alternative provider of server hosting services. Such a transfer could result in delays in our ability to deliver our products and services to our customers. Additionally, significant delays in the planned delivery of system enhancements, improvements and inadequate performance of the systems once they are completed could damage our reputation and harm our business. Finally, long-term disruptions in the infrastructure caused by events such as natural disasters, sabotage, cyber crime, the outbreak of war, the escalation of hostilities and acts of terrorism, particularly involving cities in which we have offices, could adversely and fatally affect our businesses. Although we carry cybercrime insurance, our coverage might not be adequate to compensate us for all risks and losses that may occur.

Confidential Information

Eurofins has confidentiality agreements with numerous customers not to disclose the results of analyses or other confidential information. If Eurofins were to fail to comply with these agreements or laws concerning patient data privacy, Eurofins could suffer financial penalties.

As a mitigating measure, it is a general rule that new staff members are contractually committed not to reveal any technology or any results of analysis; access to the whole database is limited to a low number of staff. Staff in sensitive positions are often contractually bound by post-contractual non-compete clauses in those countries where these are generally practised and permitted by law.

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

Research & Development Projects

In the past Eurofins has participated in various research and development (R&D) projects. Currently, there are several internal and

collaborative research and development projects running including projects with the European Union. In the past, the majority of research projects undertaken by Eurofins have led to the successful application of new analytical methods. However, investment in R&D by its very nature presents a risk. The potential products and services to which we devote R&D resources might never be successfully developed or commercialized by the Group for numerous reasons, including:

- inability to develop products or services that address our customers' needs;
- inability to bring the products or services to market in a cost-effective or competitive manner;
- inability to obtain regulatory approvals in a timely manner or at all;
- competitive products or services with superior performance;
- patent conflicts or unenforceable intellectual property rights;
- lack of demand for the particular product or services; and
- other factors that could make the product uneconomical or infeasible.

Incurring material R&D expenses for potential products or services that are not successfully developed and/or commercialised could have a material adverse effect on our business, financial condition, prospects and stock price, especially in light of the fact that returns on investment may only be realized over an extended period of time or not at all.

4. Industrial Risks

Partial or Total Destruction of the Testing Databases

Eurofins maintains databases containing information on almost all of its available tests, in addition to data such as isotopic and other analytical fingerprints on products capable of analysis by Eurofins, and which represent an integral part of its technological advance.

If the databases were to be corrupted, damaged, or destroyed, Eurofins' business could be adversely affected. To limit the risk of a partial or total destruction, the main databases are kept in clusters of high availability datacentres interconnected via high-speed communication lines. To further ensure availability, Eurofins and its subsidiaries systematically apply off-site back-ups of the databases.

Environmental Contamination Risks

Our business uses biological and hazardous materials, which could injure people or violate laws, resulting in liability that could adversely impact our financial condition and business. Our activities involve the controlled use of potentially harmful biological materials, as well as hazardous materials, solvents and other chemicals, and various radioactive compounds. While our risk may be mitigated by the relatively small quantities of such materials used, we cannot completely eliminate the risk of accidental contamination or injury from the use, storage, handling or disposal of these materials including in the case of error, accident, fire or other damage to our facilities or in the case of the failure of specialized companies which often dispose of such materials for us to comply with their contractual and regulatory obligations. While Eurofins maintains insurance for environmental liabilities at levels which the Group believes are appropriate, in the event of contamination or injury, we could be held liable for damages that result, and any liability could exceed our insurance coverage and ability to pay. Any contamination or injury could also damage our image and reputation, which is critical to obtaining new business. In addition, we are subject to one or more levels of laws and regulations in the countries in which we operate governing the use, storage, handling and disposal of these materials and specified waste products as well as the remediation to be taken in the event of an environmental incident or damage to bio-diversity. The cost of compliance with these laws and regulations is significant and if changes are made to impose additional requirements, these costs could increase and have an adverse impact on our financial condition and results of operations.

Professional Liability

As a general matter, providers of (bio)analytical services may be subject to lawsuits alleging negligence, errors and omissions or other similar legal claims. These lawsuits could involve claims for substantial damages. For example, Eurofins' business contains the potential risk of substantial liability for damages in the event of analytical errors where Eurofins and its subsidiaries not only verify the authenticity of the products analysed, but also look to detect dangerous components (pathogens, prions, pesticides, asbestos, mycotoxins, dioxins, toxic substances, etc.). Since these results may be relied upon and used in the marketing activities of Eurofins' clients, such negligence, errors or omissions in the (reporting of the results of the) analyses could potentially lead to Eurofins' clients being forced to organise a product recall or suffering other financial losses. Potential errors could even have a wider impact on consumers' health or property. In the event that Eurofins would be found responsible for these damages, its liability could be very large. Errors or omissions in the analyses performed by Eurofins' clinical diagnostics division could also potentially impact patients' health. Although Eurofins practices quality assurance programmes and staff training designed to prevent

errors in its laboratories, the risk of human error or accident can never be totally ruled out.

As a first line of defence however, the service contracts entered into by Eurofins for the analysis of samples and products generally provide that Eurofins' liability for damages is limited to circumstances directly arising from the samples or products that have been examined by Eurofins. Eurofins believes that these clauses when applicable and enforceable by law substantially limit the liability in case of an analytical error. However, any professional liability litigation could also have an adverse impact on our client base and reputation.

The second line of defence in place is part of Eurofins' business and risk management policy, where a global and centralised general and professional liability insurance programme has been set up.

Insurances

As part of Eurofins' risk management policy, various global and centralised insurance policies have been rolled out, covering different types of risks, such as damage to Eurofins' assets and associated financial losses, liabilities as well as other insurance policies required for its activities. In 2017, Eurofins continued its policy of centralising insurance programmes, enabling it to improve and increase coverage, while gaining more visibility on the different local insurances and keeping overall insurance costs under control. For confidentiality reasons, insurers and insured limits cannot be disclosed.

In the frame of its global insurance programmes, the Group has taken out for some or most of its companies the following insurance policies among other coverage:

- Property Damage & Business Interruption Insurance, including terrorism coverage;
- General, Products and Professional Liability Insurance;
- Environmental Liability Insurance;
- Employment Practices Liability Insurance;
- Directors and Officers Liability Insurance (D&O);
- Cyber Insurance.

The subject of the D&O policy is to cover the insured Eurofins' Directors and Officers including some key managers (such as the Chief Executive Officer, the main operating and scientific directors, and some other executive managers), as well as the Directors and Officers of companies controlled by the Group, 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 Group's subsidiaries have subscribed to relevant insurance policies according to local regulations and practices. These policies particularly aim to cover the insured company for the financial consequences of:

- damage affecting its assets and properties;
- business interruption resulting therefrom;
- third party liabilities;
- worker's compensation / employer's liability where applicable;
- motor third party liability;
- as well as any other mandatory local insurance cover.

As noted above, Eurofins believes it has procured sufficient insurance coverage at reasonable terms and conditions and that save for catastrophic damages, its insurance policies and coverage limits provide sufficient protection for Eurofins' present requirements. Insured limits are being reviewed by Eurofins and its insurance brokers on a regular basis (taking into account the insurance market evolution, historical claims within Eurofins' industry practice as well as Eurofins' growth and exposure to potential claims) and where needed, amended. Up to the present time, Eurofins has very rarely been subject to substantial proven liability. However, it cannot be guaranteed that claims for damages will not be asserted against Eurofins in the future, that Eurofins' insurance coverage will prove to be sufficient in all cases or that Eurofins will not sustain losses outside the scope or limits of its insurance coverage.

Although Eurofins believes that the present reserves if any for professional liability claims are sufficient to cover currently estimated exposures, it is possible that the Group or individual subsidiaries may incur liabilities in excess of these recorded reserves where they exist.

Claims in excess of recorded reserves if any and/or applicable insurance coverage could have adverse effects on Eurofins' net worth, financial position, operating results (principally costs of services) and cash flows in the period that reserve estimates are adjusted or paid. In addition, successful major claims could also have a negative impact on Eurofins' image and reputation.

5. Other Risks

Risk of Loss of Key Employees

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

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

Tax Risks

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

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

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

Unforeseen tax claims or tax liabilities could have adverse effects on Eurofins' cash flow and thereby have adverse effects on its net worth, financial position and operating results.

Risks of Litigation

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

Currently there are a few claims which have been threatened or asserted in pending litigation or arbitration proceedings concerning Eurofins and/or its subsidiaries and affiliates in the ordinary course of business or as a result of acquisitions.

For example, in 2007 Spin Master Ltd., a Canadian corporation, sued in various US jurisdictions several

Eurofins Group companies questioning the correctness of tests performed by one company of the Group. The defence of that company in this litigation is handled by its Professional Liability Insurers and lawyers. A court decision is expected in 2018 or 2019.

As quoted in the paragraph “Certain Service Line Regulatory Risk” of the Report, the Group’s Boston Heart Diagnostics (BHD) subsidiary is currently cooperating with an investigation that the US Department of Health and Human Services, Office of Inspector General (OIG), is conducting in conjunction with the US Department of Justice (DOJ) related in part, to payments made to physicians for services performed in connection with blood specimen processing and handling services and vigorously defending two associated *qui tam* lawsuits. Please refer to said paragraph for more details.

Internal Controls Risks

Eurofins is enhancing its Internal Control platform to deploy necessary measures to manage existing and potential financial and operational risks, including measures aimed at limiting incidents that could lead to claims against Eurofins and its subsidiaries (see Section II.1.1.5 Internal Control).

If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, the accuracy and timeliness of our financial reporting may be adversely affected. Maintaining effective internal controls over financial reporting is necessary for us to produce reliable financial statements. Moreover, we must maintain effective disclosure controls and procedures in order to provide reasonable assurance that the information required to be reported in our reports is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure. If we are unable to maintain effective internal controls over financial reporting or disclosure controls and procedures or remediate any material weakness, it could result in a material misstatement of our consolidated financial statements that could require a restatement or other disclosures in which event investor confidence in the accuracy and timeliness of our financial reports and other disclosures could be adversely impacted, and the market price of our securities could be negatively impacted.

Fraud/Ethical risks

Eurofins has implemented various systems of quality assurance in the largest part of its laboratories that are designed to ensure consistent procedures and traceability of results. Additionally, both local finance departments, Group finance teams, and Group Internal Audit as well as external auditors, perform regular controls and audit checks. Eurofins also encourages all internal and external parties to report in a confidential and secure manner suspicious situations and facts. One of Eurofins’

core values is integrity, which states that it is committed to ethics as one of its highest values. Attempts to incite customers or partners to commit unethical steps are not permitted in the Group. However, it is not possible to rule out the possibility of employee fraud or corruption. These could have a very damaging impact on Eurofins and even put its existence at risk.

Volatility of the Market Price of Shares

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

The market price of Eurofins’ securities may be volatile. Any securities traded on a securities exchange are subject to risk factors which affect their price. Over time, global securities markets have experienced price fluctuations, which have been unrelated to the operating performance of the affected companies. Some of the factors that could negatively affect the price of Eurofins’ securities include:

- general market and economic conditions, including disruptions, downgrades, credit events and perceived problems in the credit markets;
- actual or anticipated variations in the quarterly operating results or distributions;
- changes in the investments or asset composition of Eurofins;
- write-downs or perceived credit or liquidity issues affecting the assets of Eurofins;
- market perception of Eurofins, its business and assets;
- the level of indebtedness of Eurofins and/or adverse market reaction to any indebtedness incurred in the future;
- additions or departures of Eurofins’ key personnel;
- changes in market valuations of similar companies;
- litigation or regulatory actions and
- speculation in the press or investment community.

These risk factors are generally unpredictable and may have implications that are unrelated or disproportionate to the operating performance of the listed entity. There can be no assurance that the market price of Eurofins’ securities will not experience significant fluctuations in the future, including fluctuations that are unrelated to the performance of Eurofins.

Significant Shareholding

The current shareholders Dr. Gilles G. Martin and family and Dr. Yves-Loïc Martin, directly or through their holdings in Analytical Bioventures SCA, together hold a total of 36.4% of the shares of Eurofins and 56.6% of the voting rights as of 31 December 2017. Free float is 63.6% of Eurofins’ capital stock and 43.4% of the voting rights.

Due to the significant shareholding of the current shareholders, Dr. Gilles G. Martin and family, Dr. Yves-Loïc Martin and Analytical Bioventures

SCA are together in a position to control the outcome of important business decisions that require shareholders consent, regardless of the voting behaviour of other shareholders and may further increase their percentage of voting rights in the Company due to issuance of more beneficiary units. This or some decisions taken could have a material adverse impact on the results and value of the company and the minority shares and reduces the liquidity of the shares.

Future sales or issuances of a substantial number of Eurofins' securities in the public markets, or the perception of such sales or issuances, could depress the trading price of Eurofins' securities. Eurofins cannot predict the effect that future sales or issuances of Eurofins' securities or other equity related securities would have on the market price of Eurofins' securities. Eurofins may need additional funds in the future and Eurofins may issue additional Eurofins securities in lieu of incurring indebtedness which may dilute existing holders of Eurofins securities or Eurofins may issue securities that have rights and privileges that are more favourable than the rights and privileges accorded to holders of Eurofins shares.

Unforeseen High Impact Risk

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

Reliability of Opinions and Predictions

All assumptions, opinions and expectations that do not represent facts based upon the past are expressly the opinions and predictions of Eurofins' management. Opinions and forward-looking statements, are identified by expressions such as "planned", "expected", "believes", "assumes", "holds the view", "to the extent known" and similar formulations. Such statements reflect the management's current opinions regarding possible future events, which are by their nature uncertain and thus subject to risks. All forward-looking statements are subject to various risks and uncertainties. Actual events and results may differ substantially from expectations due to a variety of factors. Eurofins undertakes neither obligation nor commitment to revise or update these opinions or forward-looking statements as a result of new information rendering these statements no longer accurate or timely.

Dated February 27, 2018

7 Eurofins Scientific SE, the Group Parent Company

Eurofins Scientific SE (“Eurofins” or the “Company”) is the parent company at the head of the Eurofins Group. The Company is governed by Luxembourg law and has its registered office located at 23 Val Fleuri, L-1526 Luxembourg - Grand-Duchy of Luxembourg and registered under number RCS Luxembourg B 167775.

An important role of Eurofins as a holding company is to manage its investments and the financing of the activities of its subsidiaries.

In 2017, Eurofins recorded total financial income of EUR 86.5m, compared to EUR 87.6m in the previous year, of which the dividends received from its direct subsidiaries amount to EUR 71.0m in 2017 versus EUR 70.1m in 2016. Operating expenses including staff costs amounted to EUR 2.4m in 2017 compared to EUR 2.6m in 2016. Interest payable and similar expenses decreased to EUR 90.5m compared to EUR 91.9m in the previous year. The tax expense in 2017 is an income of EUR 1.6m. Therefore, Eurofins’ loss for 2017 stood at EUR 3.7m, versus a loss of EUR 5.6m in 2016.

The documents that can be legally required by authorized persons (such as shareholders, directors, etc.) are available at the registered office.

8 Corporate Governance

The corporate governance statements that shall legally be included in the management report and notably those as set forth in the law of 19 May 2006 on takeover bids, as amended (the “Takeover Law”) are disclosed in Part II of this management report and shall be deemed to be part of it.

II. CORPORATE GOVERNANCE

This first part of Section II shows a verbatim version of the Corporate Governance Charter of Eurofins as adopted on February 27, 2018, which reads as follows:

1 Corporate Governance Charter of Eurofins

Eurofins Scientific S.E. has its registered office located in Luxembourg and its shares are listed in France on the regulated market of Euronext (hereinafter referred to as “Eurofins” or the “Company”). Together with its direct and indirect controlled subsidiaries and affiliates, Eurofins Scientific S.E. is the parent company of the Eurofins Group (the “Group”). Eurofins falls under the supervision of the Commission de Surveillance du Secteur Financier (the “CSSF”) in accordance with the law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the “Transparency Law”) and is also supervised by the Autorité des Marchés Financiers (“AMF”) for the purpose of the Market Abuse Regulation (EU) No 596/2014 on insider dealing and market manipulation that came into effect on July 3, 2016 (the “Market Abuse Regulation”).

Eurofins’ corporate governance practices are governed by Luxembourg laws and its articles of association (the “Articles”).

Eurofins makes efforts to orient its corporate governance towards the general principles of corporate governance set forth in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (available at <https://www.bourse.lu/corporate-governance>) (the “Ten Principles”).

The primary purpose of the present Corporate Governance Charter is to consolidate the corporate governance rules and procedures applied by Eurofins into a single document. The Corporate Governance Charter shall be updated as often as necessary in order to provide an accurate reflection of Eurofins’ corporate governance framework and to reflect new rules which may be adopted from time to time by Eurofins in order to enhance its corporate governance.

1.1 Management Structure

The governance structure of Eurofins is composed of the Board of Directors which is assisted by the Group Operating Council (as defined below) and a series of committees including an audit committee (the “Audit Committee”) and a corporate governance committee (the “Corporate Governance Committee”). The role of the Board of Directors is one of stewardship, providing the framework for the operations of the Group Operating Council’s activities.

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

1.1.1 The Board of Directors

Under the Eurofins’ Articles, as supplemented by the internal regulations of the Board of Directors, the Board of Directors is composed of, and functions, as follows.

a. Role

The Board of Directors shall be responsible for the management of Eurofins. It is responsible for the performance of all acts of administration necessary or useful to further the corporate purpose of Eurofins, except for matters reserved by Luxembourg law or the Articles to the general meeting of shareholders.

The core mission of the Board of Directors is the following (non-exhaustive list):

- The Board of Directors shall discuss the Group strategy, significant operational

initiatives, and material investments or divestments, and monitors the Group performance;

The Board of Directors shall ensure the quality of the information provided to the shareholders as well as to the financial markets through the Company’s accounts and the financial communication;

- The Board of Directors shall specifically decide on the values and objectives of Eurofins, its strategy and the key policies required for implementation and the level of risk acceptable to Eurofins. It draws up the annual, periodic and consolidated accounts and budget;
- The Board of Directors shall endeavour to ensure that the necessary financial and human resources are available, in order to enable Eurofins to reach its objectives;
- The Board of Directors shall draw up the main categories of risks faced by Eurofins, such as financial risk, strategic risk, operational risk, legal and regulatory risk, reputational risk, and other risks. The Board of Directors shall determine the risks that require particularly close monitoring;
- The Board of Directors shall draw up a code of business ethics; and
- The Board of Directors shall select the Directors for their nomination at the general meeting of shareholders.

b. Composition and Appointment

The Articles provide that the Directors are elected, renewed or removed by the ordinary general

meeting of shareholders by a simple majority of votes cast. The term of office of the Directors shall be determined by the general meeting of the shareholders of the Company at the time of their appointment. The Directors may always be re-elected.

Other than as set out in the Articles, no shareholder has any specific right to elect, renew or remove Directors. In case of a vacancy of the office of a Director appointed by the general meeting of shareholders, the remaining Directors so appointed may fill the vacancy on a provisional basis. In such circumstances, the next general meeting of shareholders shall appoint a Director to fill the vacancy.

The Articles do not require Directors to be shareholders of Eurofins.

The Directors are bound by the code of ethics of the Company and the insider dealing policy of the Company.

The Board of Directors shall include at least two independent Directors.

The Directors shall be selected on the basis of their knowledge, experience and qualification to carry out their mandate.

The Board of Directors shall appoint a Chairman, who shall prepare the agenda for board meetings. The Chairman shall ensure that the procedures relating to the Board meetings, including the preparation of meetings, deliberations, and the taking and implementing of decisions, are correctly applied.

The Board of Directors may decide to set up committees entrusted with matters submitted by the Board of Directors, including an audit committee, a nomination committee, a remuneration committee and a corporate governance committee, when necessary.

c. Functioning

The Board of Directors meets when convened by the Chairman by any means, including verbally or by telephone in urgent cases. The Board of Directors meets as often as required in the interest of Eurofins and with the frequency that it deems appropriate, but at least every three months. It meets on the notice of its Chairman at the registered office or at any other place indicated in the notice. The Board of Directors shall dedicate an item on the agenda of one of its meetings to discussing its operation, the effective fulfilment of its remit, and compliance with good governance rules at least once every two years.

If the Board of Directors has not met for more than two months, one third of the Directors may request the Chairman to convene a meeting with a specific agenda. In cases of urgency, any Director is entitled to convene a meeting. In order for a meeting of the Board of Directors to be validly held, a majority of the Directors must be present or represented.

In the absence of the Chairman, the Board of Directors will appoint, by majority vote of the Directors present or represented at the meeting, a

chairman for the meeting in question. For any meeting of the Board of Directors, a Director may designate another Director to represent him or her and vote in his or her name, provided that the Director so designated may not represent more than one of his or her colleagues at any time.

Meetings of the Board of Directors can be held by means of video conference or other telecommunications technologies permitting the identification of the Directors. Board of Directors' meetings held by such means of communication shall be deemed to be held at the registered office of the Company.

Prior to each meeting, the Directors are entitled to receive all information required for the performance of their duties and may obtain any documents they consider useful.

The performance of the Directors is discussed at Board of Directors' meetings within the context of the performance of each of the business lines that these Directors are responsible for, if applicable.

Decisions of the Board of Directors are made by a majority of the Directors present and represented at a validly constituted meeting. Each Director has one voting right and in case of a division of votes, the Chairman shall have a casting vote.

d. Conflict of Interest and Confidentiality

(i) Conflict of Interest

Each Director shall comply with the Group Code of Ethics as further detailed in section 1.1.7 below and more particularly shall take care to avoid any direct or indirect conflict of interest with Eurofins or any subsidiary directly or indirectly controlled by Eurofins.

Directors shall inform the Board of Directors of a real or potential risk of conflict of interest with Eurofins or its direct or indirect controlled subsidiaries. In the presence of a direct or indirect financial interest conflicting with that of Eurofins in a transaction which has to be considered by the Board of Directors, the concerned directors must advise the Board of Directors thereof and cause a record of his/her statement to be included in the minutes of the meeting. The director shall abstain from deliberating or voting on the issue concerned in accordance with applicable legal provisions. Each Director shall consult the chairman of the Corporate Governance Committee or the Chairman of the Board of Directors in the event of uncertainty as to the nature of an operation or transaction likely to create a conflict of interest for him/her.

Each Director shall undertake to dedicate the time and attention required to his/her duties, and to limit the number of his/her other professional commitments (especially offices held at other companies) to the extent required for him/her to be able to fulfil his/her duties properly.

(ii) Confidentiality

During and after their functions, the Directors are strictly bound by a confidentiality commitment regarding the content of any debates and deliberations of the Board of Directors as well as

any information they have been provided by reason of their functions, excluding where such disclosure is required by a legal provision.

As regards information obtained in the course of their duties that have not yet been made public, Directors shall regard themselves as bound by an obligation of professional secrecy that goes beyond the mere duty of discretion as stipulated by the relevant laws.

1.1.2 Executive Management of Eurofins

a. Role

The day-to-day management of Eurofins is entrusted to an executive committee (the "Group Operating Council") composed of the operational and functional international business leaders of the Group as listed on the Eurofins Group corporate website <http://www.eurofins.com/investor-relations/corporate-governance/group-operating-council/>, and presided by a chief executive officer (the "Chief Executive Officer"). The Group Operating Council provides assistance to the Board of Directors in different specialised areas of expertise.

b. Composition and Appointment

The Chief Executive Officer is appointed by the Board of Directors. For swift decision making process in a relatively young organisation like Eurofins operating in a rapidly moving industry, the Board of Directors has decided not to separate the functions of Chief Executive Officer and Chairman of the Board of Directors.

The Board of Directors sets the duration of his/her term of office, provided that such period shall not exceed the term of office of the Directors. The Chief Executive Officer may be removed at any time by the Board of Directors.

The Board of Directors shall ensure that the members of the Group Operating Council have the skills required to fulfil their responsibilities.

c. Approval of certain significant matters

The Group Operating Council meets with the Board of Directors at least once every quarter.

The functions of the members of the Group Operating Council are framed by their objectives, annual budgetary limits and a monitoring procedure for important decisions which are cascaded throughout the Group.

In the decentralized model used by Eurofins certain important or non-customary decisions are governed by an approval system. For each level of decision, the approver of important decisions is precisely defined and signatures are required.

These important decisions pertain to M&A, sites expansion, non-budgeted investments, key personnel compensation, financing and insurance policies, net working capital management, and certain large transactions with other companies outside the Group, the Group legal organisation as well as certain general commercial terms.

1.1.3 The Audit Committee

The Audit Committee shall be composed and shall function in accordance with its internal regulations which are summarized as follows.

a. Role

The Audit Committee assists the Board of Directors in carrying out its responsibilities in relation to corporate policies, internal control, risk monitoring, and financial and regulatory reporting practices. The Audit Committee has an oversight function and provides a link between the internal and external auditors ("*réviseurs d'entreprises agréés*"), and the Board of Directors. The Audit Committee is assisted as appropriate by the Group Finance and Administration teams.

(i) Financial Reporting

The Audit Committee monitors and discusses with the Board of Directors and the external auditor ("*réviseur d'entreprises agréé*") the integrity of the preliminary results, the half-year information and the annual financial statements reviewing significant financial and reporting judgments which they contain before reporting to the Board of Directors focusing particularly on the quality and appropriateness of:

- critical accounting policies and practices;
- financial reporting disclosures and changes thereto;
- areas involving significant judgment, estimation or uncertainty in the Group's financial results;
- the clarity of disclosures;
- significant implemented adjustments resulting from the audit or review;
- compliance with financial reporting standards and relevant financial and governance reporting requirements;
- monitoring of the integrity of other formal announcements relating to Eurofins' financial performance, reviewing significant financial reporting judgments contained in them; and
- monitoring of the compliance with statutory and stock exchange requirements for financial reporting.

ii) Internal controls and risk management systems

The Audit Committee reviews and makes recommendations to the Board of Directors on the nature and extent of the significant risks Eurofins is willing to take in achieving its strategic objectives. It shall assist the Board of Directors to establish a "risk control system".

The Audit Committee also reviews Eurofins' internal financial controls and internal control and risk management systems, and reviews and reports to the Board of Directors on the statements to be included in the annual report concerning internal control and risk management.

It monitors and reviews the scope, extent and effectiveness of the activity of the Group in relation to compliance before reporting to the Board of Directors.

The Audit Committee may also consider management's response to any material external or internal audit recommendations; and review management's and the internal auditor's reports on the effectiveness of systems for internal control, financial reporting and risk management.

iii) Risk

The Audit Committee shall advise the Board of Directors on Eurofins' overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment. This includes overseeing and advising the Board of Directors on the current risk exposures of Eurofins and future risk strategy.

The Audit Committee reviews regularly Eurofins' capability to identify and manage new risk types, and keeps under review Eurofins' overall risk assessment processes.

iv) Compliance, whistle blowing and fraud

The Audit Committee shall ensure that Eurofins' guidelines on whistleblowing are observed and shall review Eurofins' procedures for detecting fraud. The Audit Committee shall keep under review the adequacy and effectiveness of Eurofins' compliance function.

v) Internal Audit

The Group Internal Audit Team (the "GIAT") mission, authority and responsibility is defined by the Internal Audit Charter (the "IA Charter").

The Audit Committee reviews and assesses the annual internal audit plan, and ensures that the GIAT has adequate resources to perform the tasks outlined in the annual plan and any additional ad hoc missions, and has appropriate access to information to perform its role effectively. It receives periodic updates on the outcomes and status of internal audit missions.

The Audit Committee shall be informed of the GIAT's work programme and shall receive periodic summaries of its work. The Audit Committee may make recommendations regarding the GIAT's work programme. It shall monitor the effectiveness of the internal audit function and make sure that the internal auditor(s) has/have adequate resources to perform the tasks entrusted to it/him/them.

The Audit Committee shall make recommendations regarding the selection, appointment, and dismissal of the Head of the Internal Audit team. In the event that the Head of the Internal Audit team resigns, the Audit Committee shall investigate the reasons for that resignation, and shall make recommendations regarding any measures that are needed.

vi) External Audit

The Audit Committee reviews and makes recommendations to the Board of Directors for it to put to the shareholders for their approval at the general meeting in relation to the appointment, re-appointment and removal of the external auditor ("*réviseur d'entreprises agréé*").

The Audit Committee has oversight with regards to the relationship with the external auditor ("*réviseur d'entreprises agréé*") including discussions about the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit).

The Audit Committee reviews and monitors the external auditor's ("*réviseur d'entreprises agréé*") independence and objectivity including its involvement in rendering non-audit services and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements. This includes reviewing and monitoring the external auditor's ("*réviseur d'entreprises agréé*") quality control procedures and steps taken by the external auditor ("*réviseur d'entreprises agréé*") to respond to changes in regulatory and other requirements.

The Audit Committee is informed by the external auditor ("*réviseur d'entreprises agréé*") on key provisions of the interim and year end audit plans, and receives summary of findings and significant matters related to the audit procedures. The Audit Committee is also informed on existing relationship between the external auditor ("*réviseur d'entreprises agréé*") and the Company and monitors compliance with the rules of the Eurofins Non-Audit Services Policy.

The Audit Committee shall be informed of the external auditor's ("*réviseur d'entreprises agréé*") work programme and shall receive a report from the latter describing all existing relationships between the external auditor ("*réviseur d'entreprises agréé*") on the one hand and Eurofins and its group on the other hand. It may submit recommendations regarding the external auditor's ("*réviseur d'entreprises agréé*") work programme.

b. Composition and Appointment

The Audit Committee is composed of at least three members who are appointed by the Board of Directors for a period of up to three years, and which may be extended for further periods of up to three years. All members of the Audit Committee shall be independent and non-executive Directors, at least one of the members of the Audit Committee shall have recent and relevant accounting experience, and at least one of the members of the Audit Committee shall have auditing experience. The Board of Directors shall appoint the Audit Committee's chairman.

c. Functioning

The Audit Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle, and otherwise as required.

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

The Head of the Internal Audit team or his or her representative shall act as the Secretary of the Audit Committee (the "Audit Committee's Secretary").

Meetings of the Audit Committee shall be called by the Audit Committee's Secretary at the request of any of its members or of the external auditor ("*réviseur d'entreprises agréé*"), or of the Chairman of the Board of the Directors if deemed necessary.

Only members of the Audit Committee have the right to attend Audit Committee meetings. However, the Audit Committee may invite any other person whose collaboration it considers to be beneficial to assist it in its work to attend its meetings.

The external auditor ("*réviseur d'entreprises agréé*") may be invited to attend meetings of the Audit Committee on a regular basis. If deemed appropriate, it shall meet with the internal and external auditor ("*réviseur d'entreprises agréé*") at least once a year without the presence of any executives of the Company.

The Audit Committee's Secretary shall record the minutes of the proceedings and decisions of all meetings, including the names of those in attendance. The draft minutes of meetings shall be promptly circulated to all members of the Audit Committee, and circulated to all members of the Board of Directors once approved.

The Audit Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

The Audit Committee shall assess the efficiency of its work on a regular basis, and shall make recommendations to the Board of Directors regarding the necessary adjustments in its internal regulations. Such efficiency assessment was performed in February 2018.

1.1.4 Corporate Governance Committee

In the meeting of the Board of Directors held on June 21, 2017, the Board of Directors decided to set up a Corporate Governance Committee

a. Role

The Corporate Governance Committee shall assist the Board of Directors in carrying out its responsibilities in relation to good corporate governance.

The Corporate Governance Committee shall assess and evaluate the implementation of key corporate governance principles and instruments set out in the Eurofins Corporate Governance Charter

(<http://www.eurofins.com/media/12142716/corporate-governance-charter-of-eurofins-29072016-final.pdf>) on the one hand as well as Eurofins' Mission, Vision and Values (<https://www.eurofins.com/about-us/vision-mission-and-values/>) and Eurofins' Group Code of Ethics (<http://www.eurofins.com/media/12142715/code-of-ethics-final-29072016.pdf>).

It shall review and make recommendations to the Board of Directors on general corporate governance related matters, assess and evaluate policies, structures and processes implemented to safeguard compliance with laws and assess and approve any material transaction where a conflict of interest or a potential conflict of interest may arise between the Company's affiliated entities and their employees or Directors. As a general role, the Corporate Governance Committee shall prevent that conflicts of interest affect decisions taken by the Board of Directors or individual Board of Directors' members.

b. Composition and Appointment

The Corporate Governance Committee is composed of at least two members who are appointed by the Board of Directors for a period of up to three years, and which may be extended for further periods of up to three years. All members of the Corporate Governance Committee shall be independent and non-executive Directors. The Board of Directors shall appoint the Corporate Governance Committee's chairman.

c. Functioning

The Corporate Governance Committee shall meet at least once a quarter, and otherwise as required.

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Corporate Governance Committee at which a quorum is present shall be competent to exercise any or all of the authorities, powers and discretions vested in or exercisable by the Corporate Governance Committee.

The Company secretary or his or her representative shall act as the Secretary of the Corporate Governance Committee (the "Corporate Governance Committee's Secretary").

Meetings of the Corporate Governance Committee shall be called by the Committee' Chairperson or at the request of any of its members.

Only members of the Corporate Governance Committee have the right to attend Corporate Governance Committee meetings. However, the Corporate Governance Committee may invite any other person whose collaboration it considers to be beneficial to assist it in its work to attend its meetings.

The Corporate Governance Committee's Secretary shall record the minutes of the proceedings and decisions of all meetings, including the names of those in attendance. The draft minutes of meetings shall be promptly circulated to all members of the Corporate Governance Committee, and circulated to

all members of the Board of Directors once approved.

The Corporate Governance Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.

The Corporate Governance Committee shall assess the efficiency of its work on a regular basis, and shall make recommendations to the Board regarding the necessary adjustments to its internal regulations.

To date, no other committees than the Audit Committee and the Corporate Governance Committee, have been set up.

1.1.5 Internal Control and Internal Audit

a. Role

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

Internal control aims at achieving the following objectives:

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

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

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

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

At a functional level, internal control aims at:

- Assuring reliable financial statements that provide a true and fair view of Eurofins' activities, liabilities and assets;

- Promoting better effectiveness by seeking and deploying best practices within the Group and by defining the directors' 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 obligation; and
- Assuring the protection of the Group's assets by spot checking the accuracy and the reliability of the accounting information during the internal audit reviews: the controls notably focus on the protection of the assets, the separation of the tasks, the respect of the internal procedures in terms of approval of investing and updating the property, plant and equipment database

b. Functioning

Compliance with the Group's internal policies and procedures is overseen by the internal audit team. Their role is to ensure that the operations are conducted according to high standards by providing an independent, objective assurance and by advising on best practices. The Group's internal control and financial procedures are reviewed and updated on a regular basis, and are readily accessible to the relevant employees via Eurofins' intranet. The internal audit function supports the Group in accomplishing its objectives by evaluating and improving the effectiveness of risk management, controls and governance process.

1.1.6 Financial Information

a. Production of Financial Information

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

Regular reporting

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

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

Quarterly statutory consolidation

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

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

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

b. Publication of Financial Information

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

c. Annual Budget Process

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

- an analysis of the competitive landscape and Key Success Factors.
- an estimated monthly and yearly income statement for the coming year containing:
 - revenue and cost projections;
 - a detailed plan to monitor the development of personnel costs;
 - an itemised budget for capital expenditure;
 - operational KPIs;
 - a balance sheet and cash flow statement per legal entity with a strong focus on the Days of Sales Outstanding and Net Working Capital in % of Revenues

A mid-term plan with a three year horizon is drawn up at the same time with a simplified income statement and specific indicators for each business unit.

1.1.7 Compliance: the Group Code of Ethics

The Group’s mission, vision, leadership charter, key policies and values and the “Group Code of Ethics” determine the behaviours and professional conduct expected from employees and leaders of the Group’s companies. These documents represent key Eurofins’ standards for all the Directors and employees of Eurofins companies and make compliance a core responsibility for everyone within the Eurofins Group.

1.1.7.1 Group’s Mission, Vision, and Values

The Group’s mission, vision, and values are made available to all Eurofins’ employees through the Company’s website and intranet.

Eurofins Mission

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

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

1.1.7.2 Anti-Corruption and Integrity

Eurofins takes a clear stance against bribery and corruption in any form. In the Group Code of Ethics, the section dedicated to corruption and bribery is built on the following commitments:

“We are resolutely opposed to bribery and corruption in whatever forms it may take. (...)

It is our policy that sales of the company’s products or services, and purchases and services from suppliers, are made solely on the basis of price, quality, performance, value, and for the benefit of our company. Sales or purchases should never be made as the result of giving or receiving inducement in the form of gifts, money, or entertainment from third parties, or favours in any other form. (...)“

Therefore, Eurofins, its subsidiaries and affiliates shall comply with all applicable local, national and international laws and regulations on anti-corruption wherever it does business. The same will apply to every director, officer and employee in the Group, and any third party acting on behalf of Eurofins.

1.1.7.3 Whistleblowing Point of Contact

Eurofins also has a whistleblowing point of contact that is readily accessible for all employees via Eurofins’ intranet and also on Eurofins corporate website. This point of contact is intended to encourage and enable employees and/or external parties to confidentially raise serious concerns so that Eurofins can address and correct inappropriate conduct and actions that are not in line with Eurofins values or the Group Code of Ethics. In order to safeguard confidentiality and to operate at the highest level of trust, external attorneys have been commissioned to serve as the initial point of contact for any whistleblowing.

1.1.8 Corporate Social Responsibility

Eurofins’ understanding of compliance reaches farther than mere legal compliance, and is understood in a way also comprising social and environmental aspects, as set out in the Ten Principles of the United Nations Global Compact. Therefore, Eurofins is determined to further orient its compliance efforts towards the requirements defined in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. In its 4th version newly issued in December 2017, its 9th Principle has been dedicated to Corporate Social Responsibility as follows:

The company shall define its corporate social responsibility with respect, including to it those responsibilities related to social and environmental aspects. It shall set out the measures taken for its implementation of that policy and shall provide for these to be adequately published.

1.1.9 Diversity

In line with the worldwide effort to increase gender diversity on the boards of directors of listed and unlisted companies, the Board of Directors increased the number of women on the Board of Directors to three during the financial year ending on 31 December 2017.

Currently, the Board of Directors is composed of three men and three women.

The Board of Directors diversity not only relates to gender, but also to the experience and nationality of its members.

For the Company and the Group, diversity means a workforce reflective of different genders, generations, cultures, professional experiences, nationalities, race, origins and all the other unique differences that make each of its employees’ individuals.

To support this, Eurofins is committed to:

- having the Board of Directors composed of both men and women;
- encouraging the leaders of all Group companies to create an understanding and supportive workplace environment in which all individuals feel heard and respected, and where they can realize their personal potential regardless of their sex, age, race, colour, religion, origin and disability.

1.1.10 External Control

As required, pursuant to Article 69 of the Luxembourg law of 19 of December 2002 on the register of commerce and companies and the accounting and the annual accounts of undertakings, as amended (the “Trade and Companies Register Law”), the general meeting of the shareholders of Eurofins shall appoint an external auditor (“réviseur d’entreprises agréé”) for the statutory audit of the annual accounts of Eurofins.

1.2 Shareholders’ Meetings

The general meeting of shareholders shall have the widest powers to adopt or ratify any action relating to Eurofins.

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

a. Ordinary Shareholders’ Meetings

An ordinary meeting of shareholders (the “Annual General Meeting”) shall be held annually at the date and time specified in the convening notice and shall approve the stand-alone and consolidated financial statements. It shall determine the allocation of profits and grant discharge to the Directors for the

performance of their duties for the previous financial year.

b. Extraordinary Shareholders' Meetings

Extraordinary general meetings of shareholders shall be called to deliberate on any decision having as a direct or indirect effect to amend the Articles of Eurofins.

c. Notices and Agenda

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

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

d. Access to meetings and voting rights

i. Access to meetings

All shareholders, regardless of the number of shares they own, may attend Shareholders' meetings and deliberations in person or via proxy, by providing proof of their identity. Vote by correspondence is also permitted under the terms and conditions provided for in the Articles. The rights of shareholders to participate and vote at Shareholders' meeting are determined in relation to the number of shares held on the date falling 14 days preceding the Shareholders' meeting at midnight (Luxembourg time) (the "Registration Date"). To be able to participate to the Shareholders' meeting each shareholder shall notify the Company of its intention to take part in the Shareholders' meeting and shall communicate by post or e-mail to the postal or electronic address indicated in the convening notice, not later than the date specified by the Board of Directors.

In case the shares are held by the shareholder through a system of payment and delivery of financial instruments, or in case of the shares are held by a financial intermediary acting as a professional depositary, the shareholder who intends to participate to the Shareholders' meeting is required to request a certificate certifying the number of shares it/he/she holds at the Registration Date from its intermediary and the shareholder must present the certificate to Eurofins within the deadlines indicated in the convening notice.

The holder of shares may be represented at the general meeting by any intermediary subject to the appointment of the intermediary by written notification to Eurofins by electronic means or by post as specified in the notice convening the General Meeting.

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

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.

ii. Voting rights

Each share entitles its holder to one vote.

In addition to shares representing Eurofins' issued share capital, class A beneficiary units ("*parts bénéficiaires de catégorie A*") and class B beneficiary units ("*parts bénéficiaires de catégorie B*") conferring no right to dividends but a right to one vote will be allocated under certain conditions to holders of fully paid-up shares as provided for in the Company's Articles of Association^h (articles 12bis.2 and 12bis.3).

Article 12bis.2:

One Class A beneficiary unit granting one voting right per share shall be allocated to holders of fully paid-up share that demonstrate that this share has been registered directly or indirectly (through a Depositary or sub-depositary) in a register made available by the Company for at least three years in the name of the same holder.

The consideration of the issuance of such Class A beneficiary unit shall be a contribution in kind evidenced by the registration in a registered account for three consecutive years preceding the issuance date.

Furthermore, the extraordinary General Meeting has amended on 20 April 2017 the conditions for granting one Class A beneficiary unit as from 1st July 2017 (included) as follows:

- *the shareholder interested by the issuance of Class A beneficiary units up to the number of his/her/its shares held in a registered account shall apply in writing to the Board of Directors by evidencing such entry for three consecutive years in the name of the same holder. This request shall be made to the Board of Directors of the Company not later than on 30 June 2020; and*
- *the consideration of an issuance of Class A beneficiary unit shall be a contribution in cash of EUR 0.10 (zero euro and ten cents) per Class A beneficiary unit and a contribution in kind evidenced by the entry in a registered account of three consecutive years preceding the issuance date.*

Furthermore, it shall be stated that shareholders who already own Class A beneficiary units on 30 June 2017 may decide to keep them under the same conditions or to apply the new conditions applicable as from 1st July 2017 as detailed above.

^h Please note that any quotes from the Articles of Association in English language are non-binding convenience translations only. For legal purposes, only the French version of the Articles of Association shall be binding.

In any case, the voting right related to Class A beneficiary units shall cease automatically following the cancellation of the registration in a registered account by the shareholder concerned or the transfer of ownership (other than following succession, liquidation of community property between spouses or inter vivos gifts to a spouse or relative entitled to inherit or a merger or demerger of a shareholder company) of the share for which a beneficiary unit has been allocated. A beneficiary unit having lost its voting right is automatically cancelled.

Article 12bis.3:

One Class B beneficiary unit may be granted to any holder of a fully paid-up share for which there is evidence of a direct or indirect entry (through a Depositary or sub-depositary) in a registered account notified to the Company for five consecutive years in the name of the same holder.

The shareholder interested by the issuance of Class B beneficiary units up to the number of his/her/its shares entered into a registered account shall apply in writing to the Board of Directors by evidencing such entry for five consecutive years on behalf of the same holder. This request shall be made to the Board of Directors of the Company not later than on 30 June 2021.

The consideration of this issuance shall be a contribution in cash of EUR 0.10 (zero euro and ten cents) per Class B beneficiary unit and a contribution in kind evidenced by the entry in a registered account for five consecutive years preceding the issuance date.

The extraordinary General Meeting of shareholders has delegated, with power of sub-delegation, to the Board of Directors all necessary power to verify the existence of the right to receive Class B beneficiary units, ascertain the full payment in cash and proceed with their issuance in accordance with the conditions laid down in the present articles of association.

The Class B beneficiary units shall have the same rights and obligations as the Class A beneficiary units and, in particular, shall carry one voting right per beneficiary unit without any financial entitlements. Subject to compliance with the respective conditions of issuance, the same shareholder can be granted both one Class A and one Class B beneficiary unit.

The voting right attached to the Class B beneficiary units shall expire automatically following the cancellation of the entry into the registered account by the relevant shareholder or the transfer of ownership (other than as a result of inheritance, liquidation of marital property between spouses or donation inter vivos in favour of a spouse or relative entitled to inherit or as a result of a merger or demerger of a shareholder company) of the share for which such beneficiary unit has been granted. A beneficiary unit which has lost its voting right shall be automatically cancelled.

1.3 Remuneration

The rules and principles used to determine the remuneration, benefits-in-kind and bonuses of the Directors and the Chief Executive Officer are determined by the Board of Directors on an individual basis.

The evolution from year to year of the remuneration, benefits in kind and bonuses of the Chief Executive Officer and the other members of the Board of Directors are based on their functions, duties and responsibilities and on the results and performance of the Group, as well as on the individual achievement of annual objectives.

For competitive reasons, the Board of Directors has decided not to disclose publicly the criteria for remuneration or compensation (including in the event of redundancy) of members of the Board of Directors and of the Group Operating Council.

1.4 Share Dealings

Eurofins has enacted a strict policy prohibiting insider dealing (the Eurofins Insider Dealing Policy) applicable to any employees, Directors and Officers, which aims at ensuring Eurofins' compliance with the applicable rules of the Market Abuse Regulation.

Under this policy, Directors, Officers and employees who are in possession of inside information must, for as long as this information has not been made public, refrain from directly or indirectly entering into (or recommending others to enter into) any transaction involving the financial instruments of Eurofins and from disclosing such information to third parties: In addition, Directors and permanent insiders may not trade Eurofins securities during the following black-out periods:

- (i) the continual period starting 30 calendar days before the publication of the annual or half-yearly financial information and ending the day after the publication of the relevant information;
- (ii) the continual period starting 15 calendar days before the publication of the quarterly financial information and ending the day after the publication of the relevant information;
- (iii) the continual period starting on the date on which the relevant person becomes aware of inside information and ending the day after Eurofins publicly releases this information.

The policy defines Inside information as "any information of a precise nature that has not been made public, relating directly or indirectly to the Eurofins Group or one or more of its Companies, the Company, or one or more Company Securities, and which, if it were made public, would be likely to have a significant effect on the price of any of the Company Securities."

Pursuant to Article 19 of the Market Abuse Regulation and the provisions of the Luxembourg law dated 23 December 2016 on market abuse, the

persons discharging managerial responsibilities (and persons closely associated with them) must declare within three working days to the CSSF and to Eurofins the existence of any and all transactions conducted on their account, such as the acquisition, transfer, subscription or trading, of Eurofins' financial instruments. Such obligation is also outlined in more detail in the Eurofins Insider Dealing Policy.

The current version of the Corporate Governance Charter was approved by the Board of Directors meeting held on February 27, 2018.

2 Corporate Governance Statements for the Period Ended on December 31st, 2017

2.1 Management

2.1.1 Board of Directors

a. Composition

The Board of Directors is currently composed of six members, three of whom are Non-executive, Independent Directors. Each year, the Board of Directors reviews the suitability of each of its independent members according to the Ten Principles.

The members of the Board of Directors are:

- Dr. Gilles Martin: Chairman of the Board and Chief Executive Officer of the Eurofins Scientific Group, graduated from Ecole Centrale in Paris. He subsequently obtained a Master of Science from Syracuse University (New York) and a PhD in Statistics and Applied Mathematics. Founding the original Eurofins Scientific Nantes food authenticity laboratory in 1987, Dr. Martin has expanded this company into a global bioanalytical group of more than 400 laboratories employing over 35,000 people in 44 countries. He is a member of the Board of Directors of Bruker Corp. (NASDAQ: BRKR), serving as an independent director. Dr. Martin is also a past President of the French Association of private analytical laboratories APROLAB, and of the North American Technical Committee for Juice and Juice Products (TCJJP) and of public bodies supporting innovation and entrepreneurship.
- Yves-Loïc Martin: Executive Director, graduated from Ecole Polytechnique, in Paris, France, and holds a Master's Degree in Applied Mathematics from University Paris VI and a PhD in Chemometrics from Institut National Paris Grignon. Dr. Yves-Loïc Martin joined Eurofins as Quality Assurance Manager in 1992, and assumed the role of Chief Technology Officer in 1998 until 2015, where he was instrumental in setting up the Group's IT infrastructure and solutions. Beyond his strategic role on Group innovation, he is now responsible for the documentation of some Eurofins important processes and policies, and continues to drive overall improvement of cooperation between IT and operational entities.
- Valérie Hanote: Executive Director, is responsible for the Group's internal Commercial Laboratory Information Management System (ComLIMS). Mrs Hanote graduated from the Paris Institute of technology for life, food and environmental sciences (AgroParisTech), and has been active for Eurofins since 1991.
- Stuart Anderson was appointed an Independent Non-Executive member of the Board of Directors of Eurofins in 2010. Mr. Anderson is a seasoned professional with many years experience in consumer goods, the food industry and private equity, having previously served as CEO at Wilkinson Sword, Del Monte Fresh Fruit, and at Geest Europe. He is currently a Partner at

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

- Fereshteh Pouchantchi. Ms. Pouchantchi was appointed as an Independent Non-Executive member of the Board of Directors at the Annual General Meeting held in April 2014. Ms. Pouchantchi is a finance professional with extensive experience in audit, finance processes and financial administration and compliance. She worked at the Société Européenne de Banque (Luxembourg) for more than 20 years, where she headed up various teams, including the bank's compliance department. She is currently a director in charge of client relations at Fiduconseil S.à.r.l.. Mrs. Pouchantchi holds a doctorate degree in economics from the Université de Paris II and a master in European private Law.
- During the Annual General Meeting of shareholders held on 20 April 2017, Ms. Patrizia Luchetta was appointed as a new independent member of the Board of Directors. Patrizia Luchetta, Luxembourgish, has worked several years for the Luxembourg Ministry of Economy and Trade, as Head of the Life Sciences and Technologies Directorate. In this capacity, she has been instrumental in developing a national strategy in the field of biomedical sciences as well as in refining the country's strategic focus regarding environmental technologies. Her prior working experience includes positions in the food industry, environmental services, and financial services in Luxembourg, Germany and the US. She currently sits on the board of BioTechCube Luxembourg (BTC) S.A. and of the Luxembourg Institute for Health (LIH). Patrizia holds a Bsc(Hon) in Human Geography and an MA in Social Sciences from the Open University (UK), as well as a Master in Biotech Management from IE Business School (Madrid).

No legal or disciplinary actions against any of the Directors of the Board (or against companies that the person was a director of at the relevant time), and that would be relevant to the role that the Directors have undertaken for the Group, has been taken in the last five years. In the last five years, none of the Directors of the Board has been an officer of a company that entered into a form of external administration because of insolvency during their time as an officer in that company or within a 12-month period afterwards except for Mr. Stuart Anderson.

Board of Directors in 2017

Name	Mandate	Committee membership	Appointment or Renewal date	expiry in year Y (*)
Gilles Martin	Chairman of the Board and Chief Executive Officer	N/A	19/04/2016	2020
Yves-Loïc Martin	Board Member	Audit committee**	19/04/2016	2020
Valérie Hanote	Board Member	N/A	19/04/2016	2020
Stuart Anderson	Independent Non-Executive Board Member	Audit committee and Corporate Governance committee (chair)	19/04/2016	2020
Fereshteh Pouchantchi	Independent Non-Executive Board Member	Audit committee (chair) and Corporate Governance committee	24/04/2014	2018
Patrizia Luchetta	Independent Non-Executive Board Member	Audit committee and Corporate Governance committee	20/04/2017	2018

* His/Her term of office will expire at the end of the Annual Shareholders' Meeting called in year Y (see date in the table) to approve the financial statements for fiscal year ending December 31, Y-1

** Mr Yves-Loïc Martin resigned from the Audit Committee on 21 June 2017

b. Board of Directors' Meetings for the Period Ended on 31 December 2017

The Board of Directors held 15 meetings in 2017 and the average attendance rate of the Directors at the Board of Directors' meetings was 80%.

In the course of the meetings held in 2017, discussions concerned among other topics the approval of the consolidated accounts and the parent company's financial statements, net profit allocation, dividends, capital increase in relation to stock option exercises, drafting the management report and resolutions to be submitted to the Annual General Meeting, convening of the Annual General Meeting, the grant of some corporate guarantees and the preparation of all relevant documents. The discussions also included the appointment and remuneration of the Directors and executives, as well as allocation of stock options, and Directors' fees.

During the year 2017, the Board of Directors held discussions on the corporate governance of the Group and the Group Operating Council. Following those discussions, it was decided to set up a new Corporate Governance committee whose role and internal rules are outlined in section 1.1.4 above.

During the year 2017, the Board of Directors also held discussions regarding its decision that a nomination committee and a remuneration committee are not needed at this stage in Eurofins, and that it is for the Board of Directors to perform the duties of such committees.

Additionally, the Board of Directors held discussions on a number of topics such as:

- In March 2017: amending the agenda of the AGM to be held on 20 April 2017 by adding the appointment of a new independent director;
- In April 2017: allocation of an employee stock option and free share plan;
- In May 2017: fixing of the dividend payment date; approval of various borrowings;
- In June 2017: amending the internal rules of the audit committee, approving changes in

the composition of the audit committee; setting up a new corporate governance committee and appointing members; authorisation for a reserved capital increase by way of a contribution in kind of some shares held by medical biologists in France Biologie Management as part of the buy-out of minority interest in Bio-Access Group;

- In July 2017: authorisation of a new Senior public Eurobond offering; in September 2017: authorisation of a new commercial paper programme; approval of various borrowings; approval of delegations in relation to existing and new banking facilities;
- In October 2017: authorisation for a capital increase by way of an accelerated off-market offering of newly-issued shares subscribed by qualified institutional investors; authorisation for a potential new Hybrid bond issuance;
- In December 2017: acknowledging receipt of subscription price from Analytical Bioventures SCA for its existing class A beneficiary units; approval of various borrowings; allocation of an employee stock option and free share plan.

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

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

c. Remuneration

The remuneration of the Board of Directors is determined on a yearly basis by the annual general meeting of shareholders. The Board of Directors allocates this remuneration among its members at its own discretion.

As from 2017, the compensation of non-executive directors is based on an annual fixed fee (EUR 20k) and on an extra annual fee per committee

membership (EUR 10k as a member and EUR 15k as chairperson).

For the year 2017, the remuneration of the members of the Board of Directors is as follows. This remuneration has been paid by the Company and some of its direct and indirect subsidiaries:

Board of Directors' Remuneration for the year 2017							
All amounts in EUR	Fixed compensation	Variable compensation	Benefits in kind	Supplemental pension plan	Attendance fees to non-executive directors	Other	Total compensation paid in 2017 (EUR)
Gilles Martin	1 045 000	0	11 400	12 000	0	0	1 068 400
Yves-Loïc Martin	328 000	0	0	12 000	0	0	340 000
Valérie Hanote	235 000	0	10 692	22 000	0	0	267 692
Stuart Anderson	0	0	0	0	37 000	0	37 000
Fereshteh Pouchantchi	0	0	0	0	51 750	0	51 750
Patrizia Luchetta	0	0	0	0	23 956	0	23 956

NB: in addition to the gross remuneration and benefits granted to Dr. Gilles Martin by the Company and its direct and indirect subsidiaries as listed in the above table, it should be noted that other indirect costs and expenses were borne by one or more Eurofins affiliates as part of his duties as Chief Executive Officer of the Group and Chairman of the Board of Directors including but not limited to:

- travel expenses reasonably incurred for his business activities;

- support from a pool of personal assistants in charge of managing Dr. Martin's schedule, appointments, conference calls, business trips (flights, hotels, car rentals etc.), including from time to time support on private matters and journeys, commensurate with standard practice for CEOs of other international companies of a similar size so as to free up their time for company matters,

- support for preparation of personal annual tax returns.

2.1.2 Chief Executive Officer and Group Operating Council

During the Board of Directors' meeting held in April 2016, Mr. Gilles Martin was again appointed as Chairman and Chief Executive Officer of Eurofins Scientific SE until the Annual General Meeting of shareholders to be held in 2020 to approve the Company's financial statements of the fiscal year ending on 31/12/2019.

2.1.3 Audit Committee

a. Composition

The Audit Committee consists of the following members:

- Fereshteh Pouchantchi (Audit Committee Chair)
- Stuart Anderson
- Patrizia Luchetta

b. Audit Committee's Meetings for the Period Ended on 31 December 2017

The Audit Committee held three meetings in 2017 and the attendance rate of the Directors at the Audit Committee's meeting was 89%.

During 2017, the Audit Committee reviewed the full year 2016 and half-year 2017 financial statements, and the implementation of new IFRS developments that could impact Eurofins' accounts, including application of IFRS15 Revenue from Contracts with Customers and IFRS16 Leases. It discussed the impact of the audit reform in Luxembourg on the role of the Audit Committee and its implications in terms of audit control and new requirements of public disclosure. It implemented the process for Non-Audit Services (NAS) monitoring and approval by the Audit Committee aimed at ensuring the independence of the Group auditor. The Audit Committee also reviewed the following as part of its duties:

- update on the the Finance blue print progress (business processes documentation) and deployment of the Microsoft Dynamics AX 2012 solution
- analysis of the risk management annual survey results and its implications in terms of control environment improvements and minimum control requirements for most risk sensitive areas
- information security policy improvements related to communication in order to prevent or minimize the risk of fraud and strengthening of security resources and business continuity plans

- update on recent internal audit missions carried out across the Group.

For more information on financial risk management, please refer to the notes to the 2017 consolidated financial statements (note 4.2).

2.1.4 Corporate Governance Committee

a. Composition

The Corporate Governance Committee, which was set up during the meeting of the Board of Directors held on June 21, 2017, consists of the following members:

- Stuart Anderson (Corporate Governance Committee Chair)
- Fereshteh Pouchantchi
- Patrizia Luchetta

b. Corporate Governance Committee's Meetings for the Period Ended on 31 December 2017

The Corporate Governance Committee held two meetings in 2017 and the attendance rate of the Directors at the Audit Committee's meetings was 100%.

During the meetings, the Corporate Governance Committee discussed corporate governance related topics relevant for the Eurofins Group. The Corporate Governance Committee particularly focussed on a number of real estate projects with affiliated companies.

2.1.5 External auditor

The Luxembourg société coopérative PricewaterhouseCoopers registered with the Luxembourg Trade and Companies Register under number B 65477 was appointed as external auditor of the Company for the statutory and consolidated financial statements audit of the annual accounts of Eurofins for the year ending as at 31st December 2017, drawn up in accordance with the Luxembourgish Generally Accepted Accounting Principles ("Luxembourg GAAP") and International Financial Reporting Standards (IFRS) respectively.

2.2 Shares and shareholders

2.2.1 Share capital

As of 31 December 2016, the Company's restated share capital amounted to one million six hundred and ninety-two thousand six hundred and fourteen Euros and ten cents (EUR 1,692,614.10) divided into sixteen million nine hundred and twenty-six thousand one hundred and forty-one (16,926,141) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

As of 31 December 2017, the Company's share capital amounts to one million seven hundred and sixty-four thousand three hundred and ninety-one Euros and forty cents (EUR 1,764,391.40) divided into seventeen million six hundred and forty-three

thousand nine hundred and fourteen (17,643,914) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

There are no charges attached to shares neither minimal shareholding requirements for Directors of the Company.

The main changes in the number of shares issued that occurred in the course of 2017 include:

- On 1st August 2017, the issued share capital was increased by EUR 2,327.70 by the creation of 23,277 new shares issued as a result of a reserved capital increase by way of a contribution in kind of some shares held by biologists in France Biologie Management as part of the buy-out of minority interest in Bio-Access Group.

The Board of Directors held on 21 June 2017 approved the increase in share capital and the Deputy Managing Director decided on 1st August 2017 to update Article 7 of Eurofins' Articles as follows:

Article 7 – Share Capital

The share capital amounts to one million, seven hundred and two thousand, eight hundred and fifty-four Euros and seventy cents (EUR 1,702,854.70), divided into seventeen million, twenty-eight thousand, five hundred and forty-seven (17,028,547) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

- On 2nd November 2017, the issued share capital was increased by EUR 55,000.00 by the creation of 550,000 new shares issued as a result of an off-market offering subscribed by qualified institutional investors.

The Board of Directors held on 27 October 2017 approved the increase in share capital and the Chairman decided on 31st October 2017 to update Article 7 of Eurofins' Articles as follows:

Article 7 – Share Capital

The share capital amounts to one million, seven hundred and sixty thousand, seventy-one Euros and sixty cents (EUR 1,760,071.60), divided into seventeen million, six hundred thousand, seven hundred and sixteen (17,600,716) shares of ten cents (EUR 0.10) of nominal value each, all of the same category.

a. Potential Increases in Share Capital

(i) Stock Options

As part of the stock option plans in 2017, 211,085 options were granted by the Board of Directors. Not all of these options granted in 2017 were new options but some were options previously granted to beneficiaries who had lost their right to exercise them and were granted to new beneficiaries under new conditions.

In 2017, 137,002 options were exercised during the year.

Two new stock option plans were decided by the Board of Directors on 4 April 2017 and on 13 December 2017.

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

Stock option plans	24th instalment	26th instalment	27th instalment	28th instalment	29th instalment	30th instalment	31st instalment	32nd instalment
Date of Board of Directors' meeting	20/07/2007	17/07/2008	18/12/2008	05/01/2009	10/11/2009	31/08/2010	05/10/2010	23/02/2011
Number of options initially awarded	150,330	168,950	34,010	116,700	153,400	164,400	12,450	89,750
incl. options granted to current members of the Board of Directors	0	0	0	0	0	0	500	0
First stock option exercise date	20/07/2011	17/07/2012	18/12/2012	05/01/2013	10/11/2013	31/08/2014	05/10/2014	23/02/2015
Final stock option exercise date	19/07/2017	16/07/2018	17/12/2018	04/01/2019	09/11/2019	30/08/2020	04/10/2020	22/02/2021
Subscription price in EUR	66.00	51.87	31.62	32.60	31.88	36.62	37.06	50.13
Number of options exercised as of 31/12/2017	73,200	91,314	9,520	72,700	89,041	96,216	8,200	61,760
Number of options lost and/or reawarded under new conditions	77,130	65,430	22,840	34,700	45,300	40,805	2,500	9,200
Number of valid options *	0	12,206	1,650	9,300	19,059	27,379	1,750	18,790

Stock option plans	33rd instalment	34th instalment	35th instalment	36th instalment	37th instalment	38th instalment	39th instalment	40th instalment
Date of Board of Directors' meeting	10/10/2011	02/03/2012	19/12/2012	01/10/2013	23/10/2014	07/04/2015	22/10/2015	21/01/2016
Number of options initially awarded	158,350	46,250	191,475	139,065	120,950	60,000	35,250	93,920
incl. options granted to current members of the Board of Directors	500	0	300	200	400	0	0	360
First stock option exercise date	10/10/2015	02/03/2016	19/12/2016	01/10/2017	23/10/2018	07/04/2019	22/10/2019	21/01/2020
Final stock option exercise date	09/10/2021	01/03/2022	18/12/2022	30/09/2023	22/10/2024	06/04/2025	21/10/2025	20/01/2026
Subscription price in EUR	57.83	65.60	120.10	182.29	188.28	251.88	282.76	286.30
Number of options exercised as of 31/12/2017	75,240	24,300	51,468	19,352	2,000	0	0	0
Number of options lost and/or reawarded under new conditions	39,565	18,550	45,650	41,765	22,070	46,450	17,650	16,510
Number of valid options *	43,545	3,400	94,357	77,948	96,880	13,550	17,600	77,410

Stock option plans	41th instalment	42nd instalment	43rd instalment
Date of Board of Directors' meeting	01/08/2016	04/04/2017	13/12/2017
Number of options initially awarded	122,740	41,390	169,695
incl. options granted to current members of the Board of Directors	300	0	300
First stock option exercise date	01/08/2020	04/04/2021	13/12/2021
Final stock option exercise date	31/07/2026	03/04/2027	12/12/2027
Subscription price in EUR	336.90	404.93	508.71
Number of options exercised as of 31/12/2017	0	0	0
Number of options lost and/or reawarded under new conditions	16,295	2150	1,400
Number of valid options *	106,445	39,240	168,295

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

(ii) BSA and BSAAR Warrants

In June 2010, Eurofins 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 associated 295,990 BSAAR warrants were admitted to trading on Euronext Paris on 30 June 2012 under the ISIN code FR0010891796 and may be exercised to obtain 1 share of Eurofins Scientific SE for 2 BSAAR warrants up to 29/06/2017 for a subscription price of EUR 40 per share.

During the year 2016, a restated number of 1,040 of these FR0010891796 BSAAR warrants were converted into 520 new shares (restated) and 15,544 BSAAR warrants were still outstanding as of 31/12/2016 (restated).

During the year 2017, 14,988 of these FR0010891796 BSAAR warrants were converted into 7,494 new shares. Following their expiry date on 29 June 2017, no BSAAR warrants issued in June 2010 were outstanding as of 31/12/2017.

The Chief Executive Officer acting in the name and on behalf of the Board of Directors in compliance with article 8Bis of Eurofins' Articles (see 3 below), decided on 1st July 2014, to issue 117,820 non listed BSA (French acronym for "*Bons de souscription d'actions*") called "2014 BSA Leaders Warrants" with preferential subscription rights reserved to a certain number of executive leaders of the Eurofins group selected by Eurofins in consideration of their key management duties and responsibilities and the contribution they may bring to the enhancement of the value of the shares of Eurofins and who may wish to invest in a long-term equity-linked instrument. Each 2014 BSA Leaders Warrant gives the holder the right to subscribe to one (1) new share of Eurofins at a price of EUR 281.58 per share representing the issuance of up to 117,820 new shares of Eurofins. The exercise period is from 1st July 2018 to 30 June 2022.

Further details on these warrants can be found in note 4.7 to the consolidated financial statements.

(iii) Free Shares

As part of the Company's long-term incentive programme for the Group key personnel and management, and in addition to stock option plans, BSA and BSAAR warrants as described under (i) and (ii) above, the Company's Board of Directors has decided on 29th July 2016 to use the possibility to grant free shares to some employees and directors of Group affiliates and has set a general framework and defined general "Free Share Plan rules" to that effect.

In this context, in 2016, the Company's Board of Directors has granted a first two plans of free shares awarded to some Group employees and directors.

In 2017 two further free share plans were awarded by the Company's Board of Directors, under the same principle rules – a vesting period of 4 years for the first half of free shares awarded to each beneficiary and 5 years for the second half.

In total 14,340 free shares have been awarded during the year 2017. The details of the current free shares plans are as follows:

Free share plans	1st instalment	2nd instalment	3rd instalment	4th instalment
Date of Board of Directors' meeting	29/07/2016	01/08/2016	04/04/2017	13/12/2017
Number of free shares initially awarded	5,985	4,496	940	13,400
incl. free shares granted to current members of the Board of Directors	0	0	0	0
Date of delivery of first tranche of free shares	29/07/2020	01/08/2020	04/04/2021	13/12/2021
Date of delivery of second tranche of free shares	29/07/2021	01/08/2021	04/04/2022	13/12/2022
Number of free shares lost and/or reawarded under new conditions	475	68	0	0
Number of valid free shares	5,510	4,428	940	13,400

(iv) Private Placement

On 31st October 2017, Eurofins announced the successful placement of 550,000 new shares subscribed by qualified institutional investors at a subscription price of EUR 543 per share. This transaction further strengthened the Company's capital structure and liquidity position.

b. Authorized and Non-Issued Capital

In connection with the transfer of Eurofins' registered office to Luxembourg, the annual general meeting of 11 January 2012 has approved a new article 8Bis of the Eurofins' Articles of Association to set an authorized share capital ("capital autorisé") for a maximum nominal value of EUR 2,500,000 represented by 25,000,000 shares having a nominal value of EUR 0.10 per share.

On 19 April 2016, the shareholders approved the renewal for five additional years (from 29th June 2016, date of publication of the notarial deed recording the extraordinary general meeting in the then existing Mémorial C. Recueil des Sociétés et Associations, until 29th June 2021) of the authorization granted to the Board to increase the Company's share capital to a maximum nominal value of EUR 2,500,000 (represented by 25,000,000 shares having a nominal value of EUR 0.10 per share) under the terms and conditions that the Board of Directors may determine. The Board of Directors may in particular limit or waive the preferential subscription rights reserved to existing shareholders.

Moreover, Eurofins has issued:

- BSA and BSAAR warrants (see par. 2.2.1 (a) (ii) above);
- Stock option plans (see par. 2.2.1 (a) (i) above)

- Free share plans (see par. 2.2.1 (a) (iii) above)

giving access to existing and/or new shares of Eurofins.

As of 31 December 2016, the restated maximum number of new shares that may be issued resulting from the exercise of BSA, BSAAR warrants, free shares and stock options was 971,949, resulting in a potential fully diluted number of shares of 17,898,090 (unchanged).

Consequently, the additional maximum number of new shares that could be issued by Eurofins as of 31 December 2016 within the limit of the authorized share capital was 7,101,910 (unchanged).

As of 31 December 2017, the maximum number of new shares that may be issued resulting from the exercise of BSA, BSAAR warrants, free shares and stock options is 970,902, resulting in a potential fully diluted number of shares of 18,614,816.

Consequently, the additional maximum number of new shares that could be issued by Eurofins within the limit of the authorized share capital is 6,385,184.

Besides, new shares issued as well as Eurofins' existing shares could be listed, in addition to the Paris Stock Exchange, on any other Luxembourg or foreign Stock Exchange to be determined by the Chairman of the Board on the basis of a mandate given by the Board of Directors.

2.2.2 Shareholding Disclosure

The Martin family holds 36.4% of the shares and controls 56.6% of the voting rights in Eurofins as of 31 December 2017.

The free float represents 63.6% of the shares and 43.4% of the voting rights of Eurofins.

The detail of the different shares and voting rights held by the shareholders of Eurofins is as follows:

Shareholders and voting rights as of 31 December 2017							
	SHARES	SHARES %	VOTING RIGHTS (attached to shares)	VOTING RIGHTS (attached to Beneficiary Units Class A)	VOTING RIGHTS (attached to Beneficiary Units Class B)	TOTAL VOTING RIGHTS	% TOTAL VOTING RIGHTS
SHAREHOLDERS							
Dr. Gilles G. MARTIN and his family	2	0,0%	2	2	0	4	0,0%
Dr. Yves-Loïc MARTIN	14.546	0,1%	14.546	14.546	0	29.092	0,1%
Analytical Bioventures SCA (1)	6.400.000	36,3%	6.400.000	6.400.000	2.000.000	14.800.000	56,5%
Martin Family (subtotal)	6.414.548	36,4%	6.414.548	6.414.548	2.000.000	14.829.096	56,6%
Treasury shares	0	0,0%	0	0	0	0	0,0%
Free Float	11.229.366	63,6%	11.229.366	120.699	0	11.350.065	43,4%
TOTAL	17.643.914	100,0%	17.643.914	6.535.247	2.000.000	26.179.161	100,0%

(1) Private company incorporated in Luxembourg and controlled by Gilles Martin, Yves-Loïc Martin and their family

The Company's shareholder Analytical Bioventures SCA exercised its right for 1,000,000 of the 6,400,000 shares it owns pursuant to the terms of the new article 12 Ter of the Company's articles of association as adopted by the AGM of shareholders held on 19 April 2016 to receive 1,000,000 class B beneficiary units ("parts bénéficiaires de catégorie

B") carrying one extra voting right per share, in addition to existing class A beneficiary units carrying one voting right per share.

In March 2017, Analytical Bioventures SCA subscribed to an additional 1,000,000 new Class B beneficiary units and is now holding a total of 6,400,000 Class A and 2,000,000 Class B

beneficiary units. For its existing 6,400,000 Class A beneficiary units, Analytical Bioventures SCA paid the contribution in cash in July 2017.

2.2.3 General Meetings of Shareholders Held in 2017

The Annual General Meeting of shareholders held on 20 April 2017 adopted *inter alia* the following resolutions:

- (i) Approval of the annual statutory accounts for the financial year ended on 31 December 2016,
- (ii) Allocation of results for the financial year ended on 31 December 2016 and approval of a dividend payment of EUR 2.00 per share,
- (iii) Discharge granted to the members of the Board of Directors for the performance of their duties as at 31 December 2016,
- (iv) Discharge granted to PricewaterhouseCoopers, external auditor, for the execution of his assignment for the financial year ended 31 December 2016 and renewal of its mandate,
- (v) Appointing Mrs Patrizia Luchetta as a new independent director,
- (vi) Approval of attendance fees for Board members up to 200,000 euros for the fiscal year 2017,
- (vii) Approval of the new conditions of a share buy-back programme;
- (viii) Modification of article 10 of the Company's Articles of Association clarifying the form of shares under Luxembourg law,
- (ix) Modification of article 20 of the Company's Articles of Association clarifying the conditions for shareholders to attend the annual general meeting of shareholders, Merger of former articles 12bis and 12ter of the Company's Articles of Association into a new article 12bis about beneficiary units and adjustment of conditions to be fulfilled for new class A beneficiary units to be issued from 1st July 2017 onwards,
- (x) Modification of articles 1, 4, 8bis, 9, 11, 13, 14, 15, 16, 17, 18, 21, 24 and 25 of the Company's Articles of Association in order to reflect changes under Luxembourg corporate law as amended on 10 August 2016.

2.3 Annual Statements in Relation to the Takeover Law

2.3.1 Share Capital Structure

Please see above point 2.2.1 – Share capital

2.3.2 Shareholder Purchase/Sale Agreement

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

A shareholders' agreement regarding the Martin Family's shareholding in Analytical Bioventures SCA was concluded on 20th April 2017, which cancels and replaces the preceding one and aims in principal to renew the commitment towards the present management of Eurofins going forward and promote 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.

2.3.3 Significant Shareholdings

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

Significant Shareholding as of 31 December 2017		
	No. of Shares	No. of Stock Options outstanding
Gilles G. Martin	1	0
Yves-Loïc Martin	14,546	0
Valérie Hanote	1	0
Stuart Anderson	55	830
Fereshteh Pouchantchi	0	630
Patrizia Luchetta	0	100

Analytical Bioventures SCA, which is controlled by Gilles Martin and Yves-Loïc Martin, holds 6,400,000 shares.

Fidelity Management & Research (FMR) crossed down the 5% voting rights threshold as of December 2017, as notified to Eurofins and the CSSF. No other notification has been received from FMR since then.

Eurofins has not been formally notified of any shareholder other than those stated above with an interest in excess of 5% of the voting rights as at 31 December 2017.

2.3.4 Holders of Any Securities with Special Control Rights

With regard to article 11 (1)(d) of the Takeover Law, in addition to shares representing Eurofins' issued share capital, a class A beneficiary unit, une « *part bénéficiaire de catégorie A* » which confers no right to dividends but a right to one vote, is allocated to holders of fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in the Company's Articles of Association.

In case of a capital increase by incorporation of reserves, profits or share premium, the existing holders of beneficiary units will be entitled to additional class A beneficiary units following the issuance of new shares.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to article 12bis of the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

The Shareholders' extraordinary meeting held on 19 April 2016 also authorised the issuance until 30 June 2021 of a new class B of beneficiary units ("*parts bénéficiaires de catégorie B*") which confers no right to dividends but a right to one extra vote for each share of the Company held by holders of fully paid-up shares continuously held under registered form evidencing a holding for at least five (5) years as provided for in the Company's Articles of Association.

In case of a capital increase by incorporation of reserves, profits or share premium, the existing holders of class B beneficiary units will be entitled to additional class B beneficiary units following the issuance of new shares.

2.3.5 System of Control of Any Employee Share Scheme

With regard to article 11 (1)(e) of the Takeover Law, information on stock-options and BSAAR warrants is available in section 2.2.1 Share capital and notes 2.4, 4.7 and 1.18 to the audited consolidated financial statements.

2.3.6 Restrictions on Voting Rights

A sanction of suspension of voting rights can be applied to any shareholder (or group of shareholders acting jointly) who has (or have) crossed the thresholds set out (i) in article 10.3 of the Articles (2.5% or any multiple of 2.5% of the Company's share capital, voting rights or securities giving access to the share capital of the Company) (ii) and in article 8 (1) of the Transparency Law dated January 11, 2008 (i.e. 5%; 10%; 15%; 20%; 25%; 33 1/3%; 50% and 66 2/3%) without having notified Eurofins accordingly and subject to limited exceptions set out in article 8 of Transparency Law.

Such suspension can be requested by any shareholder holding at least 2.5% of the Company's share capital, and shall be applicable to voting rights above the thresholds indicated in the Transparency Law and the Articles and for a period of two years, as set out in article 10.3 of the Articles.

2.3.7 Agreements Between Shareholders

With regard to article 11 (1)(g) of the Takeover Law, there are agreements between shareholders in place as detailed in paragraph 2.3.2 above.

2.3.8 Appointment and Replacement of Board Members – Amendment of the Articles

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

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

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

2.3.9 Shares Buy-Back Programme

With regard notably to article 11 (1)(i) of the Takeover Law, the extraordinary general meeting of shareholders held on 20 April 2017 granted the Board of Directors a new share buy-back authorisation whereby the Board of Directors is authorized to purchase Eurofins' shares on the stock exchange within a period of five (5) years from the date of the publication of the minutes of the extraordinary general meeting of shareholders held on 20 April 2017. The maximum number of shares that may be purchased and/or cancelled is limited to 10% of the total number of shares issued at this date and a maximum buying price of EUR 900.00 per share.

As at 31 December 2017, Eurofins held no shares under this programme.

2.3.10 Any Significant Agreement to Which Eurofins is a Party and Which Takes Effect, is Altered or Terminates upon a Change of Control

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

Confidential agreements relate to commercial and strategic aspects of the Group to the knowledge of the Board of Directors. Exceptionally, some agreements provide for early repayment in the event of change of control and / or departure of key leaders of the Group at the request of certain credit institutions.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS0881803646) issued in

January 2013 (and extended in July 2014) provide for the application of an additional interest rate and an additional margin of 5% each per annum if a change of control event occurs up to 30 January 2020 (the “first call date”) and for an additional margin of 5% per annum if a change of control event occurs as from 31 January 2020. If such a change of control occurs prior to the first call date, Eurofins has also the option to redeem all (but not part) of outstanding bonds.

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

The conditions of the bonds issued in January 2015 (Senior unsecured Euro bond ISIN XS1174211471) provide that if a change of control event occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS1224953882) issued in April 2015 provide for the application of an additional interest rate and an additional margin of 2.5% each per annum, if a change of control event occurs up to 28 April 2023, as from and including the 60th calendar day following the change of control event date and until the redemption of the bonds ; if a change of control event occurs as from 29 April 2023, the margin will be increased by 2.5% per annum as from and including the floating rate interest payment date immediately following the 60th calendar day following the change of control event date and until the redemption of the bonds. If such a change of control occurs prior to the first call date, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

The conditions of the bonds issued in July 2015 (Senior unsecured Euro bond ISIN XS1268496640) provide that if a change of control event occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The conditions of the bonds issued in July 2017 (Senior unsecured Euro bond ISIN XS1651444140) provide that if a change of control event as defined in the bond documentation occurs, bondholders have the option to require Eurofins to redeem all or part of their bonds on a date falling seven days after a 45-day period from the delivery of a change of control notice given by Eurofins to the bondholders. In such case, bonds are redeemed at their principal amount together with all interest accrued until (but excluding) such date.

The terms and conditions of Eurofins Deeply subordinated bonds (Deeply Subordinated Fixed to Floating Rate Bonds ISIN XS1716945586) issued in November 2017 provide for the application of an additional interest rate and an additional margin of 2.5% each per annum, if a change of control event as defined in the bond documentation occurs up to 12 November 2025, as from and including the 60th calendar day following the change of control event date and until the redemption of the bonds ; if a change of control event occurs during a floating rate interest period the margin will be increased by 2.5% per annum as from and including the floating rate interest payment date immediately following the 60th calendar day following the change of control event date and until the redemption of the bonds. If such a change of control occurs as from 13 November 2025, Eurofins has also the option to redeem all (but not some only) outstanding bonds.

2.3.11 Any Agreement between Eurofins and its Board Members or Employees Providing for Compensation if they Resign or are Made Redundant without Valid Reason or if Their Employment Ceases Because of a Takeover Bid

With regard to article 11 (1)(k) of the Takeover Law, there is a table of remuneration of members of the Board of Directors as detailed in section II.2.

Related party transactions

Eurofins management believes that there is no conflict of interest between the duties of Eurofins, any of the members of the Company’s Board of directors and management, and their private interests and / or other duties. Some buildings are rented by Eurofins from property companies indirectly controlled by Analytical Bioventures SCA. Corresponding rents reflect normal market conditions. For more information on related party transactions, please see note 4.10 to the audited consolidated financial statements.

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

Share market

Euronext, Paris						
	Month	Average closing price (€)	High (€)	Low (€)	Average daily volume ('000)	Market cap (€m)
2016	July	336,94	347,75	323,50	11,6	5.408
	August	372,40	390,00	333,60	14,7	5.981
	September	387,55	414,90	359,85	22,8	6.538
	October	414,84	431,75	403,70	20,9	7.009
	November	412,91	437,00	383,35	54,0	6.981
	December	403,45	413,00	389,60	26,2	6.829
2017	January	414,11	428,95	404,40	17,9	7.015
	February	414,70	421,45	383,75	20,6	7.026
	March	405,40	411,85	395,00	20,8	6.872
	April	424,00	456,00	406,55	18,1	7.194
	May	462,92	474,00	452,45	15,5	7.868
	June	494,18	513,00	473,05	17,5	8.404
	July	493,71	516,00	468,35	15,6	8.402
	August	474,23	489,35	452,00	14,6	8.082
	September	511,15	545,00	477,25	21,4	8.715
	October	541,66	559,85	522,00	18,2	9.247
	November	517,62	540,65	505,75	18,9	9.124
	December	506,80	518,20	495,55	18,4	8.942

3 Statement of Persons Responsible for the Annual Report

The Board of Directors confirms that, to the best of its knowledge, the annual statutory accounts, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements for the year ended 31 December 2017, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins Scientific SE and its consolidated subsidiaries taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of Eurofins Scientific SE and its consolidated subsidiaries taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors



Gilles MARTIN
Chairman of the Board of Directors and CEO

Dated: February 27, 2018

III. ANNUAL FINANCIAL STATEMENTS

1 Consolidated Financial Statements

Consolidated Income Statement

January 1, 2017 to December 31, 2017

EUR Thousands	Note	2017			2016		
		Adjusted results ¹	Separately disclosed items ²	Reported Results	Adjusted results ¹	Separately disclosed items ²	Reported Results
Revenues ³	4.1	2,971,417	-	2,971,417	2,536,608	-	2,536,608
Operating costs, net	2.1	-2,414,694	-43,481	-2,458,174	-2,056,984	-18,547	-2,075,532
EBITDA ⁴		556,723	-43,481	513,243	479,623	-18,547	461,076
Depreciation and amortisation	3.1, 3.2	-157,161	-18,557	-175,718	-122,008	-19,688	-141,696
EBITAS ⁵		399,562	-62,038	337,525	357,615	-38,235	319,380
Share-based payment charge and acquisition-related expenses, net ⁶	2.4	-	-40,718	-40,718	-	-37,433	-37,433
EBIT		399,562	-102,756	296,807	357,615	-75,668	281,947
Finance income	2.5	897	7,457	8,354	1,594	29,358	30,952
Finance costs	2.5	-44,040	-11,419	-55,459	-50,891	-19,910	-70,801
Share of (loss)/ profit of associates	3.4	403	-	403	509	-	509
Profit before income taxes		356,823	-106,718	250,105	308,827	-66,220	242,607
Income tax expense	2.6	-54,482	23,222	-31,260	-81,362	16,261	-65,101
Net profit for the period		302,341	-83,496	218,845	227,465	-49,959	177,506
Attributable to:							
Equity holders of the Company		299,135	-82,364	216,771	221,643	-47,646	173,997
Non-controlling interests		3,206	-1,132	2,074	5,822	-2,313	3,509
Earnings per share (basic) in EUR							
- Total	4.8	17.49	-4.82	12.68	13.86	-2.98	10.88
- Attributable to hybrid capital investors		1.64	0.55	2.18	1.71	0.52	2.23
- Attributable to equity holders of the Company		15.86	-5.36	10.49	12.15	-3.50	8.65
Earnings per share (diluted) in EUR							
- Total	4.8	16.62	-4.58	12.04	13.07	-2.81	10.26
- Attributable to hybrid capital investors		1.55	0.52	2.07	1.61	0.49	2.10
- Attributable to equity holders of the Company		15.07	-5.10	9.97	11.46	-3.30	8.16
Weighted average shares outstanding (basic) - in thousands	4.7,4.8	17,099	-	17,099	15,990	-	15,990
Weighted average shares outstanding (diluted) - in thousands	4.7,4.8	17,998	-	17,998	16,957	-	16,957

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

² Separately disclosed items – include one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects – Details are provided in Note 1.29 & 2.3.

³ Mature and recurring activities represented EUR 2,714m and EUR 2,254m of revenues in 2017 and 2016 respectively.

⁴ **EBITDA** – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

⁵ **EBITAS** – Earnings before interest, taxes, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

⁶ **Share-based payment charge and acquisition-related expenses** – share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

Consolidated statement of comprehensive income

January 1, 2017 to December 31, 2017

EUR Thousands	Note	2017	2016
Net profit for the period		218,845	177,506
Other comprehensive income/ loss (OCI)			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences		-71,208	20,197
Net investment hedge	4.5	-70,251	20,899
Available-for-sale financial assets	3.5	3,168	-58
Cash flow hedge	4.5	-	6,898
Income tax on items that may be reclassified	3.17	795	-
Total		-137,496	47,936
<u>Items that will not be reclassified to profit or loss :</u>			
Retirement benefit obligations	3.15	-182	-5,238
Deferred taxes on retirement benefit obligations	3.17	92	1,310
Total		-90	-3,928
Other comprehensive income/ loss for the period, net of tax		-137,586	44,008
Total comprehensive income for the period		81,259	221,514
Attributable to:			
Equity holders of the Company		80,712	217,489
Non-controlling interests		547	4,025

Consolidated Balance Sheet

As of December 31, 2017

EUR Thousands		2017	2016
	Note		
Property, plant and equipment	3.1	685,998	506,818
Goodwill	3.2	2,505,337	1,584,644
Other intangible assets	3.2	735,120	383,209
Investments in associates	3.4	5,642	3,373
Financial assets and other receivables	3.5	43,942	34,154
Deferred tax assets	3.17	29,690	37,804
Total non-current assets		4,005,729	2,550,002
Inventories	3.6	51,805	39,547
Trade accounts receivable	3.7	705,716	524,508
Prepaid expenses and other current assets	3.8	99,478	65,012
Current income tax assets		58,745	38,694
Derivative financial instruments assets	4.5	90,477	85,554
Cash and cash equivalents	3.9	820,357	826,098
Total current assets		1,826,578	1,579,413
Total assets		5,832,307	4,129,415
Share capital	3.20	1,764	1,693
Hybrid capital	3.12	1,000,000	600,000
Other reserves		934,857	614,928
Retained earnings		522,881	287,281
Currency translation differences		-16,332	123,576
Total attributable to equity holders of the Company		2,443,170	1,627,477
Non-controlling interests	3.21	38,803	129,237
Total shareholders' equity		2,481,973	1,756,714
Borrowings	3.10	1,662,099	1,340,359
Derivative financial instruments liabilities	4.5	239	1,659
Deferred tax liabilities	3.17	126,352	83,911
Amounts due for business acquisitions	3.14	49,521	180,600
Retirement benefit obligations	3.15	55,535	51,113
Provisions for other liabilities and charges	3.16	4,695	5,050
Total non-current liabilities		1,898,441	1,662,692
Borrowings	3.10	554,231	43,519
Interest and earnings due on hybrid capital	3.11	64,472	58,190
Trade accounts payable	3.13	301,863	230,122
Advance payments received	3.7	46,670	23,558
Deferred revenues	3.7	55,072	29,451
Current income tax liabilities		21,455	26,927
Amounts due for business acquisitions	3.14	88,235	43,511
Provisions for other liabilities and charges	3.16	15,027	12,728
Other current liabilities	3.13	304,868	242,003
Total current liabilities		1,451,893	710,009
Total liabilities and shareholders' equity		5,832,307	4,129,415

Consolidated Cash Flow Statement

January 1, 2017 to December 31, 2017

EUR Thousands	Note	2017	2016
Cash flows from operating activities			
Profit before income taxes		250,105	242,607
Adjustments for:			
Depreciation and amortisation	3.1, 3.2	175,718	141,696
Share-based payment charge and acquisition-related expenses, net	2.4	40,718	37,433
Other non-cash effects		-9,596	3,714
Financial income and expense, net	2.5	45,247	39,767
Share of profit from associates	3.4	-403	-509
Transactions costs and income related to acquisitions	2.4	-9,940	-6,615
Increase (decrease) in provisions, retirement benefit obligations	3.15, 3.16	3,397	-6,376
Change in net working capital	3.18	-10,740	-6,636
Cash generated from operations		484,506	445,081
Income taxes paid		-79,384	-73,239
Net cash provided by operating activities		405,122	371,843
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	-200,645	-155,721
Purchase, capitalisation of intangible assets	3.2	-45,090	-43,954
Proceeds from sale of property, plant and equipment		33,090	5,548
<i>Net capex</i>		<i>-212,645</i>	<i>-194,127</i>
<i>Free Cash Flow to the Firm¹</i>		<i>192,477</i>	<i>177,716</i>
Acquisitions of subsidiaries net of disposals, net of cash acquired	3.19	-1,534,362	-201,122
Change in investments, financial assets and derivative financial instrument, net	3.22	-3,511	-628
Interest received		3,432	4,073
Net cash used in investing activities		-1,747,086	-391,803
Cash flows from financing activities			
Proceeds from issuance of share capital	3.20	320,049	501,117
Proceeds from borrowings	3.10	879,732	7,945
Repayments of borrowings	3.10	-138,884	-345,859
Change in hybrid capital	3.12	398,543	-
Dividends paid to shareholders and non-controlling interests		-34,912	-22,452
Earnings paid to hybrid capital investors	3.12	-35,625	-35,625
Interest paid		-45,612	-55,223
Net cash provided by financing activities		1,343,292	49,903
Net effect of currency translation on cash and cash equivalents and bank overdrafts		-10,969	4,674
Net increase (decrease) in cash equivalents and bank overdrafts		-9,641	34,615
Cash and cash equivalents and bank overdrafts at beginning of period		825,667	791,052
Cash and cash equivalents and bank overdrafts at end of period	3.9	816,026	825,667

¹ Free Cash Flow to the Firm – Net cash provided by operating activities, less Net capex.

Consolidated Statement of Changes in Equity

As of December 31, 2017

EUR Thousands	Note	Attributable to equity holders of the Company						Total equity
		Share capital	Other reserves	Currency translation differences	Hybrid capital	Retained earnings	Non-controlling	
Balance at January 1, 2016		1,539	113,964	83,050	600,000	158,787	122,971	1,080,311
Currency translation differences		-	-	19,627	-	54	516	20,197
Net investment hedge	4.5	-	-	20,899	-	-	-	20,899
Available-for-sale Financial Assets	3.5	-	-	-	-	-58	-	-58
Cash flow hedge	4.5	-	-	-	-	6,898	-	6,898
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	-5,238	-	-5,238
Deferred taxes on Actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	1,310	-	1,310
Other comprehensive income (loss) for the period, net of taxes		-	-	40,526	-	2,966	516	44,008
Net profit		-	-	-	-	173,997	3,509	177,506
Total comprehensive income (loss) for the period		-	-	40,526	-	176,963	4,025	221,514
Share-based payment effects	2.4	-	-	-	-	8,518	-	8,518
Tax credit relating to share-based payment charge		-	-	-	-	2,469	-	2,469
Issue of share capital	3.20	154	500,964	-	-	-	-	501,118
Issue of hybrid capital	3.12	-	-	-	-	-	-	-
Distribution on hybrid capital	3.12	-	-	-	-	-35,625	-	-35,625
Dividends		-	-	-	-	-22,315	-137	-22,452
Reevaluation of amounts due from business combinations	3.14	-	-	-	-	-1,031	-	-1,031
Non-controlling interests arising on business combinations	3.19, 1.22	-	-	-	-	-485	2,377	1,892
Balance at December 31, 2016		1,693	614,928	123,576	600,000	287,281	129,237	1,756,714
Balance at January 1, 2017		1,693	614,928	123,576	600,000	287,281	129,237	1,756,714
Currency translation differences		-	-	-69,657	-	-24	-1,527	-71,208
Net investment hedge	4.5	-	-	-70,251	-	-	-	-70,251
Available-for-sale Financial Assets	3.5	-	-	-	-	3,168	-	3,168
Cash flow hedge	4.5	-	-	-	-	-	-	-
Actuarial gains and losses on defined benefit pension schemes	3.15	-	-	-	-	-182	-	-182
Deferred taxes on Actuarial gains and losses on defined benefit pension schemes	3.17	-	-	-	-	92	-	92
Deferred taxes on net investment hedge	3.17	-	-	-	-	795	-	795
Other comprehensive income (loss) for the period, net of taxes		-	-	-139,908	-	3,849	-1,527	-137,586
Net profit		-	-	-	-	216,771	2,074	218,845
Total comprehensive income (loss) for the period		-	-	-139,908	-	220,620	547	81,259
Share-based payment effects	2.4	-	-	-	-	9,333	-	9,333
Tax credit relating to share-based payment charge		-	-	-	-	3,476	-	3,476
Issue of share capital	3.20	72	319,930	-	-	-	47	320,049
Issue of hybrid capital	3.12	-	-	-	400,000	-1,457	-	398,543
Distribution on hybrid capital	3.12	-	-	-	-	-37,335	-	-37,335
Dividends	3.20	-	-	-	-	-33,852	-1,060	-34,912
Reevaluation of amounts due from business combinations	3.14	-	-	-	-	-17,237	-	-17,237
Non-controlling interests arising on business combinations	3.14, 3.19, 3.21	-	-	-	-	92,051	-89,967	2,084
Balance at December 31, 2017		1,764	934,857	-16,332	1,000,000	522,881	38,803	2,481,973

Notes to the consolidated financial statements

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

Eurofins Scientific S.E. (the "Company") and its subsidiaries ("Eurofins" or the "Group") operate more than 400 laboratories across 44 countries in Europe, North and South America and Asia-Pacific.

Eurofins believes it is the world leader in food, environment and pharmaceutical products testing and in agrosience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167 775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

These consolidated financial statements have been adopted by the Board of Directors on February 27, 2018 and will be submitted to the Shareholders' Annual General Meeting for approval.

1. Summary of significant accounting policies

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

1.1 Basis of preparation

Accounting standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. At December 31, 2017, the Standards adopted by the European Union and used by the Company for the preparation of these financial statements present no differences with the standards as published by the IASB. The standards, as adopted by the European Union, are available on the website:

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

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

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the

Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.25.

1.2 Application of standards, amendments and interpretations

(a) *New and amended standards adopted by the Group without significant impact on the consolidated financial statements as of December 31, 2017:*

- IAS 7 (Amendment), 'Statement of Cash Flows'
- IAS 12 (Amendment), 'Income Taxes'
- IFRS 12 (Amendment) 'Disclosure of Interests in Other Entities'

(b) *New standards and interpretations not yet adopted*

Certain new standards and interpretations have been published that are not mandatory for December 31, 2017 reporting periods and have not been early adopted by the Group:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from contracts with customers'
- IFRS 16 'Leases'
- IFRS 2 (Amendment), 'Share-based Payments'
- IFRS 4 (Amendment), 'Insurance Contracts'
- IAS 40 (Amendment), 'Investment property'
- IFRS 1 (Amendment), 'First time adoption of IFRS'
- IAS 28 (Amendment), 'Investments in Associates and Joint Ventures'
- IFRIC 22 (Amendment), 'Foreign Currency Transactions and Advance Consideration'
- IFRIC 23 (Amendment), 'Uncertainty over Income Tax Treatments'
- IFRS 10 (Amendment), 'Consolidated Financial Statements'

Amongst these new standards and interpretations, the Group's assessment of the impact of IFRS9, IFRS 15 and IFRS 16 is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on January 1, 2018:

The majority of the Group's debt instruments that are currently classified as available-for-sale (AfS) will satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

The other financial assets held by the Group include:

- equity instruments currently classified as AfS for which a FVOCI election is available;
- equity investments currently measured at fair value through profit or loss (FVPL) which would likely continue to be measured on the same basis under IFRS 9, and
- debt instruments currently classified as held-to-maturity and measured at amortised cost which appear to meet the conditions for classification at amortised cost under IFRS 9.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are recorded at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group confirms that its current hedge relationships will qualify as continuing hedges upon the adoption of IFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect that the new model would have a material impact on its retained earnings.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The Group will apply the new rules retrospectively from January 1, 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

IFRS 15 Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts from January 1, 2018.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers;
- identify the separate performance obligation;
- determine the transaction price of the contract;
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently

recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.

- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

The Group has assessed the effects of applying the new standard on the Group's financial statements to be limited as:

- The majority of the businesses of the Group consist in providing laboratory and advisory services based on analyses (analyses of customer's samples into our laboratories). This sample-based activity is ruled by short term contracts (turnaround time counted in days or weeks). These contracts for their vast majority are straightforward and do not include multiple performance obligations. Except for the US Clinical Diagnostic business which is further commented in the Note 1.12, the payment terms and conditions are most often standard, short term and highly predictable. Where incentives on volumes are granted to some customers, these are already taken into account by the Group in its revenue recognition policy.
- For its study-based based activity, which can have medium or long term contracts, the Group already considers that costs incurred for service rendered to its customers are the method for measuring progress on a straight-line basis as the inputs are expended evenly throughout period, hence complying with the new standard guidance.

Besides from these elements:

- The Group does not incur material costs to obtain contracts with customers, does not operate customer loyalty programme and does not provide a right to return in the course of its business.
- The Group does not expect to have any contracts where the period between the transfer of the promised services and payment from the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of the money.

The Group will adopt the standard on January 1, 2018 using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of January 1, 2018 and that comparatives for 2017 will not be restated. Based on the assessments undertaken to date, the Group does not expect a material impact in the Group's retained earnings or revenues.

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's operating leases for buildings, equipment and cars. As at the reporting date, the Group has non-cancellable operating lease commitments of EUR 514m, see Note 4.4. The Group estimates that approximately 2-3% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in the consolidated income statement.

However, the Group has not yet completed its assessments of what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's balance sheet, income statement and classification of cash flows going forward.

At this stage, the Group does not intend to adopt the standard before its effective date on January 1, 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

1.3 Consolidation

Subsidiaries

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

The companies acquired at the end of the year are not consolidated if their contribution in terms of total assets, sales and net profit is not material in comparison with the consolidated accounts. They will be consolidated as from January 1 of the following year (Note 3.4 & 3.19).

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

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

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

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

Transactions with non-controlling interests ("NCI")

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

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

Put and call options at acquisition time

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

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

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

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

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

In case of cross put and call options at a variable price resulting from a business combination completed prior to the first application of IFRS 3R, the goodwill in progress is calculated by the difference between the put liability and the non-controlling interest value. Any post-acquisition adjustments to the original value on the put liability are also recorded in "goodwill in progress".

Associates

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

Joint arrangements

The Group has no joint arrangements.

1.4 Goodwill

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

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

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

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

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

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

1.5 Intangible assets

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

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

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

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

1.6 Development costs

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

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

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

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

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

1.7 Property, plant and equipment

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

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

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

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

1.8 Finance and Operating Leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter period of the lease term or the asset useful life, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in that case the depreciation period is the useful life.

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

1.9 Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

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

1.10 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale

financial assets. The classification depends on the purpose for which the financial assets were acquired.

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

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

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

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

1.11 Inventories

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

1.12 Trade accounts receivable

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

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

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

For governmental organisations as well as healthcare insurance providers, in the case of its US clinical diagnostic testing services, the Group regularly assesses the state of its billing operations and the level of payer's reimbursements based on specific facts and circumstances and historical recoverability data in order to identify issues which may impact the collection of these receivables. This individual review by third-party payor grouping of all outstanding amounts is carried out at least at the end of each year and half year, especially to assess the difference between the invoices issued and the expected amounts to be recovered based on the scale of reimbursement for the patient. This review is based on the period that the receivables have been outstanding and the historical collection experience from the payers. An allowance is then recorded to reduce the gross revenue to the amount expected to be collected. Those revenue allowances are recorded as a reduction in revenue in the period that the services are performed.

Changes in estimates related to revenue allowances are recorded as an increase or decrease to revenue in the period that the changes are identified.

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

1.13 Cash and cash equivalents and bank overdrafts

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

1.14 Share capital

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

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

1.15 Provisions

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

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

1.16 Employee benefits

Pension obligations

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

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

Actuarial gains and losses arising from experience adjustments, law changes and changes in actuarial assumptions are recognised immediately in Other Comprehensive Income as they occur.

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

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Share-based compensation

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

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

Profit sharing and bonus plans

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

1.17 Borrowings

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

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

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

1.18 OBSAAR Bonds

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

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

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

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

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

The debt element was recognised at amortised cost, as recommended by IAS 39. The carrying value of the liability component was included in the line "OBSAAR Bonds" (Note 3.10). This instrument has been fully repaid in 2016.

1.19 Hybrid Capital

The structure of the Hybrid Capital ensures that it is recognised as a component of equity in accordance with IAS 32 as the conditions below are met:

- No contractual obligation to redeem the instrument;
- No contractual obligation to pay the coupon.

For this reason, the tax-deductible interest payments are not included in interest expense, but accounted for in the same way as dividend obligations to shareholders. The distribution of coupon payments and the costs of issue are booked before tax in shareholders' equity.

1.20 Current and deferred income taxes

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

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

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

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

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

1.21 Trade accounts payable

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

1.22 Amounts due for business acquisitions

Amounts due for business acquisitions are mainly comprised of:

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

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

All re-estimations of the amounts due for business acquisitions after the initial period of twelve months of allocation of the purchase price are booked in the Income Statement as an acquisition-related expense (except for the put option on non-controlling interests contracted before IFRS 3R accounted for as "goodwill in progress").

If all or part of the acquisition price of certain acquired laboratories is paid in Eurofins shares (new or existing shares):

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

1.23 Revenue recognition

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

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

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

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

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

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

The stage of completion of an analysis is determined by the services performed to date as a percentage of the total analysis to be performed as an analysis is usually performed following different stages until the issuance of the final report.

As stated in 1.12, for its US clinical diagnostic testing services, the Group recognises revenues when the testing process is complete and test results are reported to the ordering physician. The sales are generally billed to three types of payers: clients, patients and third parties such as HMOs (Health Managed Organizations), PPOs (Preferred Provider Organizations), Medicare and Medicaid.

Clients

For clients (e.g. hospitals, reference laboratories, physicians' offices who wish a direct-pay arrangement or biopharma companies seeking clinical testing services), sales are recorded on a fee-for-service basis at the Company's client list price, less any negotiated discount.

Patients

Patients typically need to pay what is not covered by their insurance or falls under the deductible, co-pays and/or co-insurance of their insurance coverage, as defined by individual payer plan coverage policies and as required by applicable state guidelines. If not covered by insurance, patients typically pay list price or, if offered, a discounted amount from list price for advance payment of testing procedures. Collection from patients is often difficult and only a part of amounts due is often eventually collected.

Third-party payers

The Company bills third-party payers under fee-for-service agreements. Fee-for-service third-party payers are billed at the Company's patient fee schedule amount or at prices pre-agreed with the respective payor and third-party revenue is recorded net of contractual discounts. These discounts are recorded at the transaction level at the time of sale based on a fee schedule that is maintained for each third-party payer. A large part of the Company's third-party sales are recorded using an actual or contracted fee schedule at the time of sale. For the remaining third-party sales, the most recent collection rate estimates are maintained for each payer to recognize revenue. Adjustments to the estimated

payment amounts are recorded at the time of final collection and settlement of each transaction as an adjustment to Revenue. The Company periodically adjusts these estimated collection rates based upon historical payment trends, using the most recent two years of historical data. Historical collection statistics are grouped according to logical clusters of payers that have the same or similar payment coherence. Any exceptional event (e.g. important cash payment from a third party) is carefully reviewed with the objective to ensure a stable and accurate statistical model for revenue recognition.

1.24 Earnings per share

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

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all such options into shares which are in the money at the current share price. The Company has the following categories of dilutive potential for ordinary shares: stock options, free shares, BSAAR, BSA warrants 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 hybrid capital investors.

1.25 Significant accounting judgments and estimates

Judgments:

By applying the Group's accounting policies described above, management has made the following judgments 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).

Revenue recognition

To 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).

In its US clinical diagnostic testing services, the Group regularly assesses the state of its billing operations and the level of payer's reimbursements based on specific facts and circumstances and historical recoverability data in order to identify issues which may impact the collection of these receivables. Those revenue allowances are recorded as a reduction in revenue in the period that the services are performed. Change in estimates related to revenue allowances are recorded as an increase or decrease to revenue in the period that the changes are identified.

Use of estimates:

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors, including the prevailing economic environment. Actual amounts may differ from those

obtained through the use of these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for other liabilities and charges

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

Estimated impairment of goodwill

The Group tests at least annually if goodwill has suffered any impairment (Note 1.9). The recoverable amounts of cash-generating units are determined based on the higher of value-in-use and fair value less costs to sell calculations. The value in use calculation is based on discount rate and future cash flows. The fair value less costs to sell calculation is based on multiples of EBITDA/EBITAS and revenues.

Variable acquisition price calculation

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

Valuation of intangible assets acquired in a business combination

The Group estimates for each acquisition the value of the potential intangible asset related to an acquisition (e.g. customer relationships, brand names) based on discount rate and future cash flows of each asset (Note 1.5).

Valuation of fixed assets acquired in a business combination

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

Deferred tax assets recognition

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

Income taxes

The Group operates in 44 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Where the effects of laws and regulations are unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgments to be reasonable; however, this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements (Note 1.20).

Pension benefits

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

1.26 Segment reporting

The reportable segments are identified in accordance with IFRS 8. Reportable segments are based on geographical areas.

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

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

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

The CODM allocates resources and assesses performance of the Group's operating segments.

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

1.27 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency. Income statements of foreign entities are translated into Euro at average exchange rates for the year and the balance sheets are translated at year end exchange rates ruling on December 31.

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

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

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

1.28 Alternative performance measures (APM)

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

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

Management believes that providing these APMs (Alternative Performance Measures) enhances investors' understanding of the Group's core operating results and future prospects, consistent with how management measures and forecasts the Group's performance, especially when comparing such results to previous periods or objectives and to the performance of our competitors.

This enables Eurofins to demonstrate the underlying profitability of the business – i.e. what the performance would be if the investments as described in Note 1.29 were not undertaken. In the interest of full transparency, Eurofins discloses both the adjusted results (i.e. without the separately disclosed items) and full reported results (i.e. including the separately disclosed items).

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

1.29 Separately disclosed items

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

Separately disclosed items include:

- One-off costs from integrations, reorganisations and discontinued operations;
- Other non-recurring income and costs for all Group companies;
- Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring;
- Share-based payment charge;
- Impairment of goodwill, amortisation of acquired intangible assets, negative goodwill;
- Income from reversal of such costs and from unused amounts due for business acquisitions;
- Net finance costs related to borrowing and investing excess cash and one-off financial effects;
- Transaction costs (incl. long term incentives) related to acquisitions;
- And all the related tax effects of the items listed above.

Reorganisation costs, such as reducing overhead and consolidating facilities, are included in the Separately Disclosed Items as Management believes that these

effects are not indicative of our normal operating income and expenses.

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

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

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

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

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

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

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

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

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

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

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

Net finance costs related to excess cash and one-off financial effects correspond to cash earmarked for future investments/ acquisitions and not needed for the existing business. Excess cash is calculated as the difference between the total consolidated cash balance at month-end and the minimum liquidity position required to operate the business, as based on a percentage of sales (considered to be 5% of the annualised revenues of the rolling last 3 months) and split proportionately between Equity, Gross financial debt and hybrid capital. The finance cost related to excess cash is then calculated using the weighted average interest rate of each debt instrument and coupon on hybrid capital on the balance sheet of the Company.

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

1.30 Assets classified as held for sale

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

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

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

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

significant input into this valuation approach is the price per square meter.

1.32 Derivative financial instruments and hedging activities

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

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

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

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

Cash flow hedge:

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

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

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

Net investment hedge:

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

Derivatives that do not qualify for hedge accounting:

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

2. Notes to the Income Statement

2.1 Operating costs, net

EUR Thousands	2017	2016
Cost of purchased materials and services	1,064,364	897,508
Personnel expenses	1,392,815	1,178,148
Other operating income and expenses, net	995	-124
Total	2,458,174	2,075,532

2.2 Full Time Equivalent and total Headcount

Weighted average Full Time Equivalent (FTE)	2017	2016
Benelux	2,256	1,983
France	5,768	5,189
Germany	3,585	2,988
North America	6,660	5,763
Nordic Region	1,633	1,259
UK and Ireland	1,739	1,253
Other	6,618	4,966
Total FTE	28,259	23,401

By the end of the year 2017, the total headcount within the Group reached 34,651 employees (27,291 in 2016).

2.3 Separately disclosed items

EUR Thousands	2017	2016
One-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs	-12,361	-14,736
Temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring	-31,120	-3,811
EBITDA impact	-43,481	-18,547
Depreciation costs specific to start-ups and new acquisitions undergoing significant restructuring	-18,557	-19,688
EBITAS impact	-62,038	-38,235
Share-based payment charge and acquisition-related expenses	-40,718	-37,433
Finance cost related to excess cash and one-off financial effects	-3,962	9,448
Tax effect from the adjustment of all separately disclosed items	23,222	16,261
Total impact on Net Profit	-83,495	-49,959
Non-controlling interests of separately disclosed items	1,132	2,313
Total impact on earnings attributable to equity holders	-82,363	-47,646
Total impact on earnings attributable to hybrid capital investors	-9,353	-8,257

For 2017, the one-off costs from integration, reorganisation, discontinued operations, and other non-recurring costs mainly consist of several site rationalization projects that involved consolidating several small sites into fewer but larger more efficient sites, or simply moving some businesses into our large campuses, either to streamline and optimize efficiencies or maximize synergies across businesses:

- the closure of several sites in the UK;

- In the US, the rationalisation of recently acquired environmental testing laboratories located on the East coast and a pending litigation related to a real estate property on the West coast.

For 2016, the one-off costs from integration, reorganisation, discontinued operations, and other non-recurring costs mainly consisted of several site rationalization projects that involved consolidating several small sites into fewer but larger more efficient sites, or simply moving some businesses into our large campuses, either to streamline and optimize efficiencies or maximize synergies across businesses:

- In France, Eurofins combined 3 laboratories into 1 larger site in Aix-en-Provence;
- In the US, the programme to integrate Eurofins discovery services business (Cerep, Panlabs and DDS Millipore), which includes site rationalization, was completed;
- the closure and sale of one facility in the UK;
- In the US, the consolidation and rationalisation into one site of several environmental testing laboratories located on the West coast.

In 2017, start-ups and new acquisitions in significant restructuring generated operating losses of EUR 31,120K at EBITDA level and operating losses of EUR 49,677K at EBITAS level.

The temporary losses related to the launch of Eurofins third start-up programme (2014-2017) to support its next growth cycle with new 32 start-up laboratories launched in the year 2017 alone.

The temporary losses are also related to the network expansion in the clinical diagnostics testing in US (NTD, EGL and BHD), in India, in Japan and in Germany with an important refocusing of our offers versus 2016 and reorganisation of the teams to achieve higher profitability in 2018.

It concerns also recent some 2016 acquisitions under significant restructuring in particular in the US & Brazil environmental testing laboratories with the closure of several sites.

During 2017, the Group issued new debt and hybrid capital instruments for a total amount of EUR 1,280m (Notes 3.10 & 3.12). Furthermore, in 2017, the Group raised total gross proceeds of EUR 299m following issuance of new shares (Note 3.20). In 2017, the average monthly cash balance, net of overdrafts was EUR 843m (EUR 816m at year-end) to be compared to EUR 725m in 2016 (EUR 826m at year-end). This led to a high average excess cash of EUR 697m in 2017 vs EUR 600m in 2016. The borrowing and investment of this excess cash have generated net finance costs of EUR -11,072K on the financial result and an impact of EUR -9,353K on the earnings attributable to hybrid capital investors in 2017 vs an amount of EUR -12,150K on the financial result and an impact of EUR -8,257K on the earnings attributable to hybrid capital investors in 2016. The one-off financial effects have a positive impact of EUR +7,110K on the financial result in 2017 versus a positive impact of +21,598K in 2016.

2.4 Share-based payment charge and acquisition-related expenses, net

EUR Thousands	2017	2016
Share-based payment charge	9,333	8,518
Gain on disposal/liquidation	-2,594	-2,357
Negative goodwill	-	-109
Amortisation of acquired intangible assets	40,775	31,153
Transactions costs related to acquisitions	9,940	6,615
Unused amounts due for business acquisitions (Note 3.14)	-16,739	-6,387
Acquisition-related expenses, net	31,384	28,915
Total	40,718	37,433

Share-based payment charge

Stock options/free shares are granted to selected managers and employees. The exercise price of the granted options is equal to the 20-day volume weighted average market price prior to the date of the grant.

Options/free shares are conditional on the employee completing the vesting period (4 to 5 years). The options/free shares are exercisable after the vesting period and have a contractual option term of ten years. The average expected exercise option period is considered one year after the end of the vesting period (ie 5 to 6 years after grant).

The Group has no legal or constructive obligation to repurchase or settle the options in cash. The fair value of options/free shares granted during the period is determined using the Black-Scholes valuation model. An annual risk-free interest rate of 1.6% was used for the 2017 plans (in 2016: 2.7%). The volatility measured is based on statistical analysis of daily share prices over the last three years. Volatility amounts to 26.1% for 2017 plans.

Plan	Number of stock options initially granted	Average expected exercise option period (Years)	Average subscription price (EUR)	Weighted average fair value of options (EUR)
31/08/2010	164,400	5/6	36.62	15/16
05/10/2010	12,450	5/6	37.06	15/16
23/02/2011	89,750	5/6	50.13	20/22
10/10/2011	158,350	5/6	57.83	24/26
02/03/2012	46,250	5/6	65.60	25/27
19/12/2012	191,475	5/6	120.10	41/45
01/10/2013	139,065	5/6	182.29	61/67
23/10/2014	120,950	5/6	188.28	61/67
07/04/2015	60,000	5/6	251.88	80/88
22/10/2015	35,250	5/6	282.76	89/99
21/01/2016	93,920	5/6	286.30	91/101
01/08/2016	122,740	5/6	336.90	109/120
04/04/2017	41,390	5/6	404.93	105/116
13/12/2017	169,695	5/6	508.71	132/146

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

Plan	Number of free shares initially granted	Average expected exercise option period (Years)	Fair value of free shares (EUR)
29/07/2016	5,985	5/6	335.50
01/08/2016	4,496	5/6	336.90
04/04/2017	940	5/6	404.93
13/12/2017	13,400	5/6	508.71

The movements in the number of free shares are described in Note 4.7.

2.5 Financial result

EUR Thousands	2017	2016
Derivative financial instrument (Note 4.5)	4,922	26,879
Other financial income	3,432	4,073
Finance income	8,354	30,952
Interest expense on borrowings	-5,783	-7,122
Interest expense on pensions	-845	-1,046
Bonds interest expense	-43,519	-42,768
Schuldschein interest expense	-	-5,550
Additional Schuldschein interest due to early repayment	-	-5,267
Derivative financial instrument on interest rate hedging (Note 4.5)	1,420	-1,659
Net foreign exchange gain/ loss	-1,859	-82
Discounted cash flow charge on amounts due for business acquisitions	-2,230	-4,700
Discounted cash flow charge on bonds issuance costs	-2,643	-2,607
Finance costs	-55,459	-70,801
Finance result, net	-47,105	-39,849

2.6 Income tax expense

EUR Thousands	2017	2016
Current tax	-61,434	-83,220
Deferred tax (Note 3.17)	30,174	18,119
Income tax expense	-31,260	-65,101

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

EUR Thousands	2017	2016
Result before income tax	250,105	242,607
Tax calculated at domestic rates applicable to profits in the respective countries	-74,904	-74,007
<i>Theoretical tax charge rate</i>	29.9%	30.5%
Other income taxes	-10,169	-11,117
Tax impact of non-deductible expenses	-15,912	-10,498
Tax impact of income taxed at a reduced tax rate	54,112	33,097
Tax impact of shares of profit of associates	74	72

Tax impact of deductible expenses not accounted for in the Income Statement	7,482	11,461
Tax impact of tax losses not recognised	-21,846	-16,597
Utilisation of previously unrecognised tax losses	4,671	5,320
Re-measurement of deferred taxes	25,188	322
Adjustment in respect of prior years	44	-3,174
Tax credit	-	21
Income tax expense	-31,260	-65,101
<i>Actual income tax expense rate</i>	12.5%	26.8%

¹ This line includes other income taxes based on the results as CVAE (“*cotisation sur la valeur ajoutée des entreprises*”) in France, IRAP (“*imposta regionale sulle attività produttive*”) in Italy and withholding taxes paid on some transactions such as dividends/ royalties.

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

The income tax paid for each period is the following:

EUR Thousands	2017	2016
Income tax paid	-79,384	-73,239

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

In 2016, the adjustment in respect of prior years was primarily related to a tax audit in Germany.

In 2017, the re-measurement of deferred taxes is mainly due to the US Tax Cuts enforced in December 2017 leading to a reduction in the US corporate income tax rate from 35% to 21% (25% estimated rate including State taxes) which resulted in a significant profit of EUR 19m in the consolidated income statement. A positive impact of a similar nature (EUR 3m) has also been recognised on French acquisitions.

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

3. Notes on the Balance Sheet and Cash flow statement

3.1 Property, plant and equipment

EUR Thousands	Assets in progress	Land, buildings and leasehold improvements	Machinery and laboratory equipment	Office equipment, furniture and vehicles	Total
Year 2016					
Opening net book amount	39,097	166,186	187,175	35,083	427,541
Currency translation differences	1,080	3,058	3,244	545	7,927
Change of scope	0	14,210	16,896	2,134	33,241
Additions	-5,562	59,732	79,929	21,622	155,721
Disposals	-	-4,277	-2,969	-389	-7,634
Depreciation charge	-	-24,190	-67,709	-18,079	-109,979
Closing net book amount	34,614	214,720	216,567	40,916	506,818
Cost or valuation	34,614	351,012	698,325	158,977	1,242,928
Accumulated depreciation	-	-136,292	-481,758	-118,060	-736,110
Net book amount at December 31, 2016	34,614	214,720	216,567	40,916	506,818
Year 2017					
Opening net book amount	34,614	214,720	216,567	40,916	506,818
Currency translation differences	-3,012	-12,779	-9,315	-1,791	-26,898
Change of scope	6,533	72,680	69,225	13,712	162,150
Additions	-2,749	85,223	94,176	23,995	200,645
Disposals	-	-21,934	-507	-878	-23,318
Depreciation charge	-	-29,677	-81,289	-22,433	-133,399
Closing net book amount	35,387	308,233	288,858	53,520	685,998
Cost or valuation	35,387	483,882	938,749	203,530	1,661,548
Accumulated depreciation	-	-175,648	-649,891	-150,010	-975,550
Net book amount at December 31, 2017	35,387	308,233	288,858	53,520	685,998

Leased machinery/equipment and building included in the above table, where Eurofins is a lessee under a finance lease are as follows:

EUR Thousands	2017	2016
Capitalised cost of finance leases	75,491	62,216
Accumulated depreciation	-54,800	-47,012
Net book amount	20,691	15,204

3.2 Intangible assets

EUR Thousands	Intangibles assets related to acquisition ¹	Brands	Software ²	Other intangible assets	Total
Year 2016					
Opening net book amount	251,583	31,724	65,617	2,545	351,469
Currency translation differences	5,831	560	367	13	6,770
Change in consolidation scope	39,996	3,171	518	230	43,915
Additions	-	-	44,882	-928	43,954
Disposals	-	-	-29	0	-28
Amortisation charge	-23,721	-7,432	-30,097	-1,620	-62,870
Closing net book amount	273,689	28,023	81,257	240	383,209
Cost	344,093	47,299	219,462	1,693	612,546
Accumulated amortisation	-70,404	-19,276	-138,204	-1,453	-229,337
Net book amount at December 31, 2016	273,689	28,023	81,257	240	383,209
Year 2017					
Opening net book amount	273,689	28,023	81,257	240	383,210
Currency translation differences	-19,712	-	-931	-26	-20,669
Change in consolidation scope	391,891	13,898	4,626	344	410,760
Additions	-	-	44,452	638	45,090
Disposals	-	-	-176	-	-176
Amortisation charge	-32,747	-8,028	-42,115	-204	-83,094
Closing net book amount	613,121	33,894	87,113	992	735,120
Cost	708,470	61,045	265,370	3,305	1,038,191
Accumulated amortisation	-95,349	-27,151	-178,257	-2,313	-303,071
Net book amount at December 31, 2017	613,121	33,894	87,113	992	735,120

¹ Intangible assets related to acquisitions are mainly related to customer relationships and some technology/ intangible property and non-compete agreements assets recognised during the purchase price allocation.

² Software includes EUR 33.4m of internal development costs capitalised in 2017.

Goodwill	2017	2016
EUR Thousands		
Opening net book amount	1,584,644	1,411,896
Currency translation differences	-86,776	24,030
Change in consolidation scope	1,007,469	148,718
Impairment	-	-
Closing net book amount	2,505,337	1,584,644
Cost	2,518,385	1,597,692
Accumulated impairment charge	-13,048	-13,048
Net book amount	2,505,337	1,584,644

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

The change in consolidation scope (intangible assets related to acquisitions: EUR 391,891K, brands: EUR 13,898K and goodwill: EUR 1,007,469K) for a total amount of EUR 1,413,259K relates to:

- New acquisitions of the period: EUR 1,410,556K,
- Adjustments during the 12-month window period of previous acquisitions: EUR 2,118K,
- Change in "goodwill in progress": EUR 585K (transaction with non-controlling interests).

The "goodwill in progress" is accounted for as an agreement to buy out the minority shareholders resulting from cross put and call options closed prior to the first application of IFRS 3R (Note 1.3) and represents an amount of EUR 1,400K as at December 31, 2017 (EUR 1,766K as at December 31, 2016).

Impairment test for goodwill

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

CGUs are based on the following geographical areas: Benelux, France, Germany, North America, Nordic Region, UK and Ireland, Other, which is an aggregate of others CGUs. Recently-acquired subsidiaries can be followed up individually in case of significant contingent consideration due during the years following the acquisition. The following is a summary of goodwill allocation for each operating segment as of December 31, 2017:

EUR Thousands	Opening	Currency translation	Change of scope	Impairment	Closing
Benelux	102,726	-	9,420	-	112,146
France	525,265	-	150,008	-	675,272
Germany	65,744	-	88,853	-	154,597
North America	634,870	-72,018	552,863	-	1,115,715
Nordic Region	87,355	-3,044	26,414	-	110,725
UK and Ireland	48,229	-2,297	50,566	-	96,498
Other	120,455	-9,417	129,346	-	240,384
Total	1,584,644	-86,776	1,007,469	-	2,505,337

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

The key assumptions used for value-in-use calculations in 2017 are as follows:

	Compounded annual volume growth rate ¹	Long term growth rate ²	Pre-tax Discount rate	Recoverable amount of the CGU EUR Thousands
Benelux	2.0%	2.0%	7.19%	557,086
France	2.2%	2.0%	8.27%	2,101,257
Germany	2.2%	2.0%	7.00%	1,686,327
North America	2.4%	2.0%	9.44%	2,590,216
Nordic Region	1.6%	1.5%	7.26%	652,774
UK and Ireland	2.2%	2.0%	7.90%	326,342
Other	2.8%	2.5%	12.47%	656,140

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

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

The key assumptions used for value-in-use calculations in 2016 are as follows:

	Compounded annual volume growth rate ¹	Long term growth rate ²	Pre-tax Discount rate	Recoverable amount of the CGU EUR Thousands
Benelux	2.0%	2.0%	7.33%	422,439
France	2.2%	2.0%	8.83%	1,780,181
Germany	2.2%	2.0%	8.08%	1,039,412
North America	2.4%	2.0%	11.84%	1,157,710
Nordic Region	1.6%	1.5%	8.19%	440,447
UK and Ireland	2.2%	2.0%	9.02%	175,419
Other	2.8%	2.5%	10.80%	598,644

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

The EBITAS margin used is between 8% and 16% of the revenues depending on geographic area for 2017, with an improvement in subsequent years. Financial information with respect to Revenues and EBITAS per CGU are not provided for confidentiality reasons because they would affect the Group's acquisition model.

In 2017, no impairment is required as these values are above the carrying value of each CGU.

Sensitivity analysis:

Rising the WACC rate by 1 percentage point in the value in use would not result in any impairment in goodwill.

In EUR millions and multiple	Goodwill, net	value in use ¹ / Goodwill, net
Benelux	112	3.8x
France	675	2.5x
Germany	155	8.0x
North America	1,116	1.8x
Nordic Region	111	4.7x
UK and Ireland	96	2.7x
Other	240	2.3x

¹ WACC rate increased by 1%

Reducing Revenues, EBITDA, EBITAS ratios by 25% used for the valuation of assets less costs of disposal would not result in any impairment in goodwill either.

3.3 Assets classified as held for sale

No assets are held for sale as of December 31, 2017.

3.4 Investments in associates

EUR Thousands	2017	2016
Opening net book amount	3,373	14,926
Currency translation differences	-245	203
Change of scope (Note 5.1)	2,381	-12,001
Disposals	-24	-
Dividends received	-246	-264
Share of profit of associates	403	509
Closing net book amount	5,642	3,373

The amount disclosed under change of scope for 2017 is related to some minor acquisitions closed at the very end of December 2017 (Note 5.1). These investments will be fully consolidated as from January 1, 2018.

Other investments in associates were as follows:

Main associates undertaking:	Revenues	Net profit	Total assets	Equity	% of interest
EUR Thousands					
At December 31, 2017					
Fasmac Co. Ltd. (JP)	10,273	450	7,178	5,473	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5,118	455	2,970	1,265	49%
Z.F.D GmbH	1,441	-17	1,016	682	33%
At December 31, 2016					
Fasmac Co. Ltd. (JP)	10,319	711	7,900	5,725	41%
Eurofins Laboratoire Coeur de France SAEML (FR)	5,408	443	2,665	1,141	49%
Z.F.D GmbH	1,421	13	1,024	699	33%
ProBase Pharma BV ¹	122	10	71	-3	50%

¹ The entity ProBase Pharma BV has been sold in 2017.

3.5 Financial assets and other receivables

EUR Thousands	2017	2016
Opening net book amount	34,154	32,074
Currency translation differences	-1,657	537
Change of scope	4,496	709
Increase	4,801	3,310
Decrease	-1,020	-2,418
Revaluation through OCI of financial assets available for sale	3,168	-58
Closing net book amount	43,942	34,154

EUR Thousands	2017	2016
Available for sale financial assets	9,422	4,730
Lease and other deposits	34,520	29,424
Closing net book amount	43,942	34,154

Available for sale financial assets relate to an investment in the company Vimta Labs Limited in India (19.9% share ownership at the end of 2017). Vimta Labs Limited is publicly listed on the Bombay stock exchange (India).

3.6 Inventories

EUR Thousands	2017	2016
Inventories	53,538	41,093
Provision for inventories	-1,733	-1,546
Closing net book amount	51,805	39,547

The cost of inventories recognised as an expense during the period and included in "Operating costs, net" amounts to EUR 370,831K (2016: EUR 318,857K).

3.7 Trade accounts receivable

EUR Thousands	2017	2016
Trade accounts receivable - gross and expected amounts ¹	611,491	459,592
Provision for impairment of receivables	-34,939	-27,962
Accrued sales	38,888	26,494
Amounts due by customers for analysis in progress	90,276	66,384
Trade accounts receivable	705,716	524,508
Advance payments received	-46,670	-23,558
Deferred revenues	-55,072	-29,451
Total Trade accounts receivable, net	603,974	471,499

¹ offset for US Clinical Testing as the revenues are recorded based on expected amounts and shown the Trade accounts receivable for their expected amounts – see notes 1.12 and 1.23

The ageing of the gross trade accounts receivable as at December 31, 2017 is as follows:

EUR Thousands	2017	2016
Not overdue	433,617	315,981
Overdue for less than 90 days	130,975	109,800
Overdue for more than 90 days but not more than 360 days	31,494	19,403
Overdue for more than 360 days	5,857	5,294
Individual bad debts	9,549	9,114
Total	611,491	459,592

As of December 31, 2017, trade accounts receivable, net of VAT, were impaired for an amount of EUR 34,939K.

Movements in the provision for impairment of trade accounts receivable are detailed as follows:

EUR Thousands	2017	2016
Opening net book amount	27,962	27,734
Exchange differences	-669	229
Change of scope	6,239	3,110
Net variation	1,406	-3,111
Closing net book amount	34,939	27,962

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

3.8 Prepaid expenses and other current assets

EUR Thousands	2017	2016
Prepaid expenses	37,140	22,432
Other receivables	62,338	42,580
Total	99,478	65,012

3.9 Cash and cash equivalents, bank overdrafts and net debt

EUR Thousands	2017	2016
Short term deposits with banks	153,293	506,019
Cash in hand	667,064	320,079
Cash & cash equivalents	820,357	826,098
Bank overdrafts	-4,331	-431
Cash and cash equivalents less bank overdrafts	816,026	825,667

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

EUR Thousands	2017	2016
Bank borrowings and lease liabilities (incl. overdrafts)	48,834	90,760
Bonds ¹	1,937,496	1,293,118
Commercial Paper	230,000	-
Cash and cash equivalents	-820,357	-826,098
Net debt	1,395,373	557,780

¹ net of bonds issuance costs

3.10 Borrowings

EUR Thousands	2017	2016
Variation of borrowings		
At beginning of year	1,383,446	1,707,330
Currency translation differences	-1,349	1,686
Change of scope	86,411	9,738
Increase of borrowings	879,732	7,945
Repayment of borrowings	-138,884	-345,859
Amortisation of bond costs	2,643	2,607
At end of year	2,211,999	1,383,446
Bank overdrafts	4,331	431
Total Borrowings	2,216,330	1,383,878

EUR Thousands	2017	2016
Analysis of current borrowings		
Bank borrowings	15,998	39,010
Bonds ¹	297,232	-1,646
Commercial paper	230,000	-
Bank overdrafts	4,331	431
Lease liabilities	6,669	5,724
Total current borrowings	554,231	43,519

¹ net of issuance costs

EUR Thousands	2017	2016
Analysis of non-current borrowings		
Bank borrowings	11,278	37,123
Bonds ¹	1,640,264	1,294,764
Commercial paper	-	-
Lease liabilities	10,558	8,472
Total non-current borrowings	1,662,099	1,340,359
Total borrowings	2,216,330	1,383,877

¹ net of issuance costs

The repayment periods of the current borrowings are as follows:

EUR Thousands	Total	Up to 3 months	3-6 months	Over 6 months
Lease liabilities	6,669	1,667	3,334	1,667
Bank borrowings	15,998	4,000	7,999	4,000

Bonds	297,232	-692	-1,384	299,308
Commercial paper	230,000	230,000	-	-
Bank overdrafts	4,331	4,331		
Total current borrowings	554,231	239,306	9,950	304,975

In addition, a number of bilateral credit facilities with Eurofins banks are not used at the end of 2017.

Eurobonds

Eurobonds November 2018:

In November 2013, Eurofins issued an inaugural senior unsecured Euro bond for a nominal value of EUR 300m. The bonds have a five-year maturity (due November 26, 2018), and bear an annual coupon of 3.125%. The bonds have been listed on the Luxembourg stock Exchange under ISIN XS0996772876.

Eurobonds January 2022:

In January 2015, Eurofins raised EUR 500m through its second senior unsecured Euro bond public issuance. The bonds have a seven-year maturity (due January 27, 2022) and bear an annual coupon of 2.25%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

Eurobonds January 2023:

In July 2015, Eurofins raised EUR 500m in its third senior unsecured Euro bond public issuance. The bonds have a seven and half year maturity (due January 30, 2023) and bear an annual coupon of 3.375%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1268496640).

Eurobonds July 2024:

In July 2017, Eurofins raised EUR 650m in its latest senior unsecured Euro bond public issuance. The bonds have a seven-year maturity (due 25 July 2024) and bear an annual rate of 2.125%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1651444140).

The quoted values of the Company's Eurobonds are disclosed in Note 4.6.

Commercial paper

In September 2017, Eurofins managed to set up a new Negotiable European Commercial Paper programme ("NEU CP") for a maximum amount of EUR 500m. This programme is used to issue short term notes with a minimum size of 200,000 EUR and maturity of less than one year. At the end of December 2017, notes were outstanding for an amount of EUR 230m under this programme.

3.11 Interest due on borrowings and earnings due on hybrid capital

EUR Thousands	2017	2016
Interest due on borrowings	33,591	29,019
Earnings due on 2013/14 hybrid capital	19,274	19,274
Earnings due on 2015 hybrid capital	9,897	9,897
Earnings due on 2017 hybrid capital	1,710	-
Earnings due on hybrid capital	30,881	29,171
Total	64,472	58,190

3.12 Hybrid capital

EUR Thousands	2017	2016
At beginning of year	600,000	600,000
Proceeds from Hybrid capital	400,000	-
At end of year	1,000,000	600,000

The dividend outflow related to hybrid capital outstanding reflected in the Cash Flow Statement is detailed as follows:

EUR Thousands	2017	2016
2013/14 hybrid dividend	21,000	21,000
2015 hybrid dividend	14,625	14,625
Total dividend distribution on hybrid capital	35,625	35,625

Hybrid instrument with a first call date on January 31, 2020:

In January 2013, Eurofins issued a EUR 150m hybrid instrument. In July 2014, Eurofins extended the size of its existing hybrid instrument, bringing the overall size of Eurofins' hybrid instrument to EUR 300m.

The hybrid instrument has a perpetual maturity, but is callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years until first call, and a coupon of Euribor 3m + 818 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS 0881803646).

Hybrid instrument with a first call date on April 29, 2023:

In April 2015, Eurofins issued a EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins on the 8th year (first call date in April 2023). This hybrid instrument bears a fixed annual coupon of 4.875% for the first 8 years until first call, and a coupon of Euribor 3m + 701 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1224953882).

Hybrid instrument with a first call date on November 13, 2025:

In November 2017, Eurofins raised a EUR 400m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins on the 8th year (first call date in November 2025). This hybrid instrument bears a fixed annual coupon of 3.25% for the first 8 years until first call, and a coupon of Euribor 3m + a margin thereafter if not called. This margin may vary between 266.7bps to 516.7bps, depending on the various potential external credit rating scenario assigned to Eurofins by external rating agency/ies by November 2020 (and assessment of equity content given by external rating agency/ies to the instrument). The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1716945586).

On these hybrid instruments outstanding in 2017, a first distribution on hybrid capital of EUR 21.0m was paid in January 2017 (EUR 300m at 7%) and a second one of EUR 14.6m was paid in April 2017 (EUR 300m at 4.875%).

The impact of the hybrid capital dividend distribution on the equity and of the net profit attributable to hybrid capital holders used for the calculation of the earnings per share is detailed as follows:

EUR Thousands	2017	2016
2013/14 hybrid dividend	21,000	21,000
2015 hybrid dividend	14,625	14,625
2017 hybrid dividend	1,710	-
Total dividend distribution on hybrid capital (Note 4.8)	37,335	35,625

3.13 Trade accounts payable and other current liabilities

EUR Thousands	2017	2016
Trade accounts payable	206,143	156,228
Trade accruals payable	95,720	73,894
Total Trade accounts payable	301,863	230,122
Tax and social security payables	111,811	78,872
Tax and social security accruals	163,630	141,698
Other payables	29,427	21,433
Other current liabilities	304,868	242,003

3.14 Amounts due for business acquisitions

Amounts due for business acquisitions include conditional clauses impacting the price payable to former shareholders of purchased companies.

Movements in 2017 are detailed as follows:

EUR Thousands	2017	2016
At beginning of year	224,112	215,952
Currency translation differences	-11,228	3,737
Change of scope on new acquisitions	55,076	17,180
Amounts due for business acquisitions paid	-132,932	-12,101
Reevaluation by equity	17,237	1,031
Reversal of amounts due for business acquisitions not paid	-16,739	-6,387
Interest on amounts due for business acquisitions (Note 2.5)	2,230	4,700
At end of year	137,755	224,111
Current	88,235	43,511
Non-current	49,521	180,600
Total	137,755	224,112

The change of scope corresponds to:

EUR Thousands	2017	2016
New acquisitions	52,618	17,061
Re-evaluation goodwill within the 12 months period	2,458	-345
Re-evaluation goodwill in progress	-	464
Change of the year	55,076	17,180

The discount rate used in 2017 to determine the present value of deferred considerations is 2.57% (2.71% in 2016).

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

EUR Thousands	2017	2016
Between 1 and 5 years	47,627	165,700
Over 5 years	1,894	14,900
Total non-current	49,521	180,600

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

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

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

EUR Thousands	2017	2016
Transactions with previous shareholders	103,368	108,332
Transactions with NCI - Fixed price	4,447	3,883
Transactions with NCI - Variable price	32,498	122,061
Put and Call options prior to the first application of IFRS 3R	1,400	1,766
Discount effects	-3,958	-11,930
Total	137,756	224,112

The potential undiscounted amounts of all future payments that the Group could be required to make under these arrangements are estimated between EUR 117m and EUR 165m, depending on changes in financial performance of acquired companies.

(i) Transactions with previous shareholders

End of January 2015, Eurofins acquired 100% of Boston Heart Diagnostics Corp. ("BHD") in the United States. An Earn-out Consideration was based on the average EBITDA of the company over the period January 2016 to December 2017. Several companies in the cardiac biomarker laboratory services industry, including BHD, are cooperating with an investigation that the U.S. Department of Health and Human Services, Office of Inspector General, is conducting with the U.S. Department of Justice ("DOJ") related, in part, to payments made to physicians for services performed in connection with blood specimen processing and handling services. After a multi-year investigation, the DOJ declined to assume prosecution of these cases and decided to allow the private citizens that brought the qui tam cases litigate the cases on their own. While BHD does not believe that it has violated any applicable laws or regulations, BHD is unable to predict the ultimate resolution of these matters. The ultimate outcome could have a material adverse effect on BHD's results of operations, financial position or cash flows. However Group is indemnified by the former shareholders of BHD for losses arising out of, resulting from, based on or relating to the investigation and qui tam cases, up to the amount of funds held in escrow (USD 30m) or payable under the provision for earn-out. Due to our earn-out offset mechanism in relation to the historical cases in progress, valuation and payment of the earn-out, if any, will be possible only after the quitam cases in progress are resolved. The fair value of the probable cash outflows was estimated at an amount of USD 60m at December 31, 2017, same as at December 31, 2016 and at acquisition time (maximum amount undiscounted).

In July 2015, Eurofins acquired 100% of Diatherix Laboratories, Inc. ("Diatherix") in the United States. The Earn-out Consideration was based on the average EBITDA of the company over the period July 2015 to June 2017. The fair value of the contingent consideration arrangement was estimated at an undiscounted amount in excess of EUR 20m. The final instalment was paid in 2017 for EUR 10.6m. The adjustment has been recorded through the income statement.

In September 2016, Eurofins acquired 100% of VRL, Inc. in the United States. The Earn-out Consideration is based on the Revenues & EBITDA of the company over the period September 2016 to August 2017. The fair value of the contingent consideration arrangement was estimated at an undiscounted amount in excess of EUR 5m. The final instalment will be paid in early 2018.

In July 2017, Eurofins acquired 100% of Genoma in Italy. The Earn-out Consideration is based on the average EBITDA of the company over the period January 2017 to December 2019. The fair value of the contingent consideration arrangement has been estimated at an undiscounted amount in excess of EUR 11m. The final instalment will be paid in early 2020.

In June 2017, Eurofins acquired 100% of Alphora Research, Inc. in Canada. The Earn-out Consideration is based on the EBITDA of the company over the period January 2017 to December 2017. The fair value of the contingent consideration arrangement has been estimated at an undiscounted amount in excess of EUR 6m. The final instalment will be paid in early 2018.

In December 2017, Eurofins acquired 100% of Selcia in the UK. The Earn-out Consideration is based on the EBITDA of the company over financial years 2017 and 2018. The fair value of the contingent consideration arrangement has been estimated at an undiscounted amount in excess of EUR 3m. The instalments of each year will be paid in 2018 and 2019.

The other contingent consideration arrangements are individually estimated at less than EUR 3m.

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

In November 2010, Eurofins Scientific S.E. had entered into a Control and Profit Transfer Agreement with MWG-Biotech AG non-controlling shareholders, for an amount of EUR 2.20 per share. The agreement had been revaluated in 2016 to an amount of EUR 3.20 per share. As at December 31, 2017 all remaining shares from non-controlling interests were purchased by the Group.

Eurofins had completed in March 2013 the acquisition of a 52% majority stake in GCL/Fundación Chile (GCL), the leading food testing service provider in the country. A put and call agreement had been concluded for the remaining 48% of the shares. The call option at a fixed price of EUR 2.3m as at December 31, 2016 was fully exercised in 2017.

Eurofins completed in June 2017 the acquisition of a 90% majority stake in Electrosuisse (CH). A put and call agreement has been concluded for the remaining 10% of the shares. The call option is estimated at a fixed price of EUR 1.0m as at December 31, 2017 payable in 2019.

Eurofins completed in July 2017 the acquisition of a 62.63% majority stake in LifeCodexx (DE). An agreement has been concluded for the remaining 37.37% of the shares for a fixed price of EUR 3.5m as at December 31, 2017 payable in early 2018.

(iii) Transactions with non-controlling interests at a variable price

Eurofins completed in 2013 the acquisition of a 91% majority stake in Eurofins Environment Testing Australia Pty Ltd., the largest private environmental testing laboratory network in Australia. A put and call agreement has been concluded for the remaining 9% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITDA over the period 2016-2017, payable in 2018.

Eurofins acquired in 2013 an 81% majority stake in Agrisearch Services (Australia/ New Zealand). A put and call agreement has been concluded for the remaining 19% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITAS over the period 2016-2017, payable in 2018.

Eurofins took control in 2015 of a 66% stake in Bio-Access in France. A put and call agreement was simultaneously concluded for the remaining 34% of the shares. The fair value of the put and call agreement was estimated at an undiscounted amount of EUR 98m at end of 2016.

Following the buy-back agreement signed in May 2017, Eurofins acquired the 34% non-controlling shares in the Holding company of Bio-Access Group in August 2017, for a purchase price of EUR 107m, of which EUR 96m were paid in

cash and EUR 11m in shares of Eurofins Scientific S.E. through a reserved capital increase (delivery of 23,277 new shares issued at a share price of EUR 479.22 per share against a contribution in kind). In addition, following this agreement, NCI related to Bio-Access have been totally reversed through retained earnings for an amount of EUR 103m.

Eurofins acquired in 2015 a 76% stake in Emory Genetics Laboratory ("EGL") in the United States. A put and call agreement was concluded for the remaining 24% of the shares. The fair value of the put and call agreement is based on a multiple of the Average EBITDA, net of Net Debt, of the two last years of the put and call agreement ending no sooner than 2021 and payable in the following year. In 2017, following changes in EGL's share capital, the Group's share in EGL rose to 88%. At year-end, the Group reviewed through the income statement its estimation of the put and call option to a value of EUR 5.8m (compared to EUR 13m as of December 31, 2016).

Eurofins acquired in 2015 a 72% stake in Laboratoire des Pyramides in France. A put and call agreement was concluded for the remaining 28% of the shares. The fair value of the put and call agreement is based on a multiple of the last year EBITDA, net of Net Debt, at any time. The fair value is estimated at an undiscounted amount in excess of EUR 3.8m.

Eurofins acquired in 2017 a 60% stake in Spectro Analytical labs, Ltd in India. A put and call agreement was concluded for the remaining 40% of the shares. The fair value of the put and call agreement is based on a multiple of the average EBITDA over the period 2018-2019, net of Net Debt. The fair value is estimated at an undiscounted amount in excess of EUR 17.4m.

Other put and call agreements have been signed for the remaining 8.9% of the shares in Eurofins Digital Testing Belgium, Sweden, British Isles & Poland, for the remaining 25% of the shares in NM Group of Laboratories (Malaysia) and for the remaining 33% of the shares in Eurofins Ecopro Research KK (Japan).

The aggregate value of these put and call agreements is estimated at less than EUR 5.5m as of December 31, 2017.

(iv) Transactions with non-controlling interests at a variable price with the method of the "goodwill in progress" prior to the first application of IFRS 3R

In 2016, it concerned two put and call agreements for the remaining 10% of the shares in Eurofins Shanghai Holding Ltd (multiple of the Average EBITA over the period 2016-2017 times 10%, payable in 2018) and 7% of the shares in INLAB GmbH (multiple of the Average Net Profit over the period 2019-2020 times 7%, payable in 2021).

In 2017, 7% of the shares in INLAB GmbH have been acquired in anticipation.

3.15 Retirement benefit obligations

The Group operates retirement benefit obligations plans in Austria, France, Germany, The Netherlands, Norway, Italy, Japan, Sweden and Taiwan. These plans concern roughly 9,600 headcount (of which 6,400 headcount in France).

We provide hereafter a short description of the main defined benefit plans and of the risks associated thereto:

In Sweden, it relates to a defined benefit plan for all employees (ITP 2, 650 headcount). The ITP 2 plan can be funded in two different ways, either by paying premiums to Alecta Pensionsförsäkring (a mutual life insurance company) or by using a book reserve system in combination with credit insurance through PRI Pensionsgaranti. Eurofins is using the latter. The ITP 2 pension paid relates to the final salary. The

ITP 2 plan does not include any guaranteed compensation for inflation. The cost for the ITP 2 plan can vary significantly between employees depending on age and salary. The age of retirement is 65. A mechanism in the plan will limit any excessive cost for the retirement pension benefit.

In France, the "*Provision pour indemnité de départ à la retraite*" corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service with the company, compensation at retirement age (between age of 63 and 65) and collective agreements.

Some companies in France also have some work anniversary awards agreements "*médaille du travail*". The lump sum amount is defined by the collective agreement and based on the number of years of service with the company.

In Germany, it relates mainly to a defined benefit plan for the employees of CLF (Central Laboratories Friedrichsdorf) and to defined benefit plans for former managers of companies acquired by Eurofins (who are no longer employees of these companies). The CLF pension plan consists in a perpetual annuity mainly dependent on final salary and years of service at the age of retirement (between age of 60 and 63). The CLF pension liabilities are updated taking the inflation rate into account.

In Japan, the defined benefit plan mainly corresponds to a lump sum payment made upon retirement (age of 60) or upon ending an employment contract with the company. The lump sum amount is dependent on different factors such as years of service and job grade per company retirement rule.

In Taiwan, the defined benefit plan corresponds to a lump sum payment made upon retirement. The lump sum amount is dependent on different factors such as years of service, compensation of the last six months' salary preceding retirement.

In the Netherlands, some Eurofins employees used to participate in a defined benefit pension scheme executed by the insurance company "Nationale Nederlanden" (NN). This defined benefit pension plan has been terminated at the end of 2016 as all concerned employees have moved to defined contribution pension plans.

The remaining retirement benefit obligation in the Netherlands relates to work anniversary award plans 'Jubilee'. The lump sum amount is defined by the employment conditions and based on the number of years of service.

In Italy it relates to the TFR ("*Trattamento di Fine Rapporto*"). It is an end-of-employment provision accrued for each single employee and paid out upon termination of the employment contract. The provision amounts approximately to one month of salary per each worked year: the cost for the TFR can therefore vary significantly between employees depending on age and salary. Since the change in legislation in 2007, the TFR valuation as defined benefit obligations (DBO) has only consisted of:

- The TFR for entities of less than 50 employees;
- The TFR for the employees of companies greater than 50 employees and in existence before December 2006 (this "old" TFR is re-evaluated every year).

Since 2007, entities of more than 50 employees established after 2006 have had the obligation to transfer the TFR provision to external funds (alternatively the Italian Social Security Agency – INPS – or any other private fund).

Where applicable the TFR has been converted into a defined contribution plan.

In Norway, the Group has a defined benefit plan ("Multi-Employer Scheme") for employees who have previously been employed in the public sector (74 headcount). This plan relates to a company acquired by Eurofins. The benefits of this funded

plan are mainly dependent on earned pension entitlement, salary at the time of retirement and the size of payments from the National Insurance. The plan also covers a life insurance and disability insurance. The yearly premiums are calculated in accordance with the Insurance Activity Act §10-5 to §10-8 and the National Insurance Act §19-14. The pension scheme is included in a common arrangement with other companies and the yearly premiums are levelled between all participating companies. The arrangement ensures that the premiums paid are neutral of gender and age. The premiums to be paid by Eurofins are calculated based upon the share of the total pension entitlements of the members of the scheme. The company is not liable to the plan for other entities participating in the scheme. Any surplus of the scheme will be allocated to the participating companies and added to its pension fund. Deficits will be charged to each participating company according to the share of the future obligation.

In all countries, the calculation is performed by actuary experts (except in France where the calculation is performed by Eurofins).

The movement on the pension accrual account is as follows:

EUR Thousands	2017	2016
At beginning of year	51,113	46,563
Exchange differences	-854	-424
Change of scope	3,373	1,095
Re-measurements included in OCI	182	5,238
Annual expense	4,157	1,234
Contributions paid	-2,437	-2,593
At end of year	55,535	51,113

The total pension costs for the year 2017 amount to EUR 29m, of which EUR 4.2m for defined benefit plans and EUR 24.8m for defined contribution plans. The total pension costs for the year 2016 amounted to EUR 24.3m, of which EUR 1.2m for defined benefit plans and EUR 23.1m for defined contribution plans.

The amount of contributions to defined contribution plans paid to members of the Board of Directors corresponds to EUR 46k.

The amounts recognised in the Income Statement for the defined benefit plans are determined as follows:

EUR Thousands	2017	2016
Current service costs	3,607	3,516
Past service costs	-	-3,258
Effects of curtailments	-294	-70
Interest cost	912	1,343
Expected return on plan assets	-67	-297
Total	4,157	1,234

Out of the total yearly amount recognised in the Income Statement for defined benefit plans, an amount of EUR 3,607K has been recognised in "Personnel expenses", EUR -294K in "Operating costs, net" and EUR 845K in the "Financial result". The past service costs registered in 2016 is mainly due to the settlement of the "Nationale Nederlanden" plan in the Netherlands.

For 2017, movements in the pension accrual account between present value of obligation and fair value of plan assets are detailed as follows:

EUR Thousands	Present value of obligation	Fair value of plan asset	Total
At beginning of year	62,844	-11,730	51,113
Current service cost	3,607	-	3,607
Interest expense/(income)	912	-67	845
Effects of curtailments	-294	-	-294
Amounts recognised in the Income Statement	4,224	-67	4,157
Remeasurements :			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-137	-137
(Gain)/loss from change in demographic assumptions	1,076	-	1,076
(Gain)/loss from change in financial assumptions	-218	-	-218
Experience (gains)/losses	-539	-	-539
Amounts recognised in the Other Comprehensive Income	319	-137	182
Exchange differences	-1,430	576	-854
Change of scope	3,373	0	3,373
Contributions :			
- Employers	-	-177	-177
- Plan participants	-	-	-
Benefit payments :			
	0	0	-
- From plans	-1,656	1,656	-
- From Employers	-2,260	-	-2,260
At end of year	65,414	-9,879	55,535

The amounts recognised in the balance sheet are determined as follows in EUR Thousands:

Country	Present value of funded obligations	Fair value of plan assets	Pension liability in the balance sheet
Germany	7,213	-356	6,857
France	28,409	-75	28,334
Italy	3,750	-	3,750
Japan	1,944	-	1,944
Netherlands	975	-	975
Norway	3,108	-2,548	560
Sweden	13,675	-	13,675
Taiwan	6,340	-6,901	-560
Total	65,414	-9,879	55,535

The main actuarial assumptions used vary depending on the country and are detailed as follows:

Assumptions	Discount rate	Salary increase rate (including inflation)	Pension increase rate	Inflation rate
Germany	1.4%	3.8%	1.8%	1.8%
France	1.4%	3.0%	N/A	2.0%
Italy	1.4%	3.0%	2.6%	1.5%
Japan	0.4%	N/A	N/A	N/A
Norway	2.4%	2.6%	1.5%	1.5%
Sweden	2.3%	3.0%	3.0%	1.8%
Taiwan	0.4%	0.6%	N/A	N/A

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

The sensitivity of the defined benefit obligation to changes in the main assumptions is outlined as follows:

Sensitivity tests	Discount rate	Salary growth rate (incl. inflation)	Pension growth rate (incl. inflation)
Change in assumption	+/- 0.5%	+/- 0.5%	+/- 0.5%
Current Net Liability Amount	55,535	55,535	55,535
Increase of rate in assumption	4,393	-3,710	-1,704
Decrease of rate in assumption	-5,523	2,785	1,694

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the balance sheet.

Plan assets are detailed as follows:

EUR Thousand	Quoted	Unquoted	Total	%
Equity instruments	-	-	-	0%
Governmental bonds	-	-	-	0%
Corporate bonds	-	-489	-489	5%
Property	-	-308	-308	3%
Qualifying insurance	-	-431	-431	4%
Cash & Cash equivalents	-	-7,107	-7,107	72%
Investment funds	-	-1,253	-1,253	13%
Others	-	-290	-290	3%
Total	-	-9,879	-9,879	100%

The expected maturity analysis of undiscounted pension benefits is as follows:

EUR Thousands	Expected undiscounted benefit payments to employees
2018	1,846
2019	1,567
2020	1,490
2021	2,015
2022	2,303
2023 & afterwards	162,513
Total	171,734

The expected employer contributions for 2018 amount to EUR 992K.

3.16 Provisions for other liabilities and charges

EUR Thousands	Focusing resources	Other Charges	Total
At January 1, 2016	13,344	8,352	21,696
Currency translation differences	-41	78	37
Change of scope/ Reclassification	1,010	52	1,062
Additional provisions	1,373	3,667	5,040
Utilised during year	-7,200	-1,768	-8,967
Unused amounts reversed	-331	-759	-1,090
At December 31, 2016	8,156	9,622	17,778

EUR Thousands	Focusing resources	Other Charges	Total
At January 1, 2017	8,156	9,622	17,778
Currency translation differences	-191	-380	-571
Change of scope/ Reclassification	290	548	838
Additional provisions	2,983	5,631	8,614
Utilised during year	-2,852	-2,832	-5,683
Unused amounts reversed	-627	-627	-1,254
At December 31, 2017	7,760	11,962	19,722

Focusing resources provisions are related to reorganisations in progress. Provisions for other charges are mainly related to litigations.

The change in provision for focusing resources mainly relates to:

- The ongoing restructuring plan within Biomnis SELAS. This plan was initiated before the company's integration into Eurofins Group;
- Various sites reorganisations mainly in the US.

The additional provisions and unused amounts reversed are included in the separately disclosed items (Note 2.3).

The periods in which the provision for other liabilities and charges could be paid are:

EUR Thousands	2017	2016
Up to one year	15,044	12,728
1 to 5 years	3,616	3,874
Over 5 years	1,062	1,176
Total	19,722	17,778

3.17 Deferred income taxes

Movements in the deferred income tax are detailed as follows:

EUR Thousands	2017	2016
At beginning of year	-46,107	-58,083
Exchange differences	1,907	-994
Change of scope	-83,523	-6,459
Deferred taxes on retirement benefit obligations (change in OCI)	92	1,310
Deferred taxes on net investments (change in OCI)	795	-
Income statement/ expense or income (Note 2.6)	30,174	18,119
At end of year	-96,662	-46,107

The deferred tax liabilities (change of scope) are mainly related to the deferred taxes on intangible assets recognised on the purchase price allocation (Note 3.19).

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

EUR Thousands	2017	2016
Deferred tax assets	29,690	37,804
Deferred tax liabilities	-126,352	-83,911
Total	-96,662	-46,107

Deferred income tax assets are recognised for tax loss carryforwards only to the extent that realisation of the related tax benefit is probable.

The Group owns tax losses of around EUR 521 million to carry forward against future taxable income and which have not been recognised as tax assets due to uncertainty of their recoverability.

The analysis of the deferred tax assets and deferred tax liabilities is detailed as follows:

EUR Thousands	2017	2016
Deferred tax assets		
To be used after more than 12 months	8,569	4,456
To be used within 12 months	21,121	33,348
Total	29,690	37,804
Deferred tax liabilities		
To be released after more than 12 months	107,219	71,111
To be released within 12 months	19,133	12,800
Total	126,352	83,911

Movements in deferred income tax assets and liabilities during the year are detailed as follows:

Deferred tax liabilities movement In EUR Thousands	Intangible assets amortisation and fixed assets depreciation - temporary differences - deferred tax liabilities	Land revaluation	Discounted amounts due for business acquisitions
At beginning of year	-118,110	-3,916	-5,055
Exchange Differences	8,084	13	167
Change of scope	-126,105	-	2,241
Income Statement	58,328	3,903	1,457
At end of year	-177,803¹	-	-1,190

¹ uncompensated company by company or by tax unity

The deferred tax liabilities on temporary differences in intangible assets amortisation and fixed assets depreciation are related to differences between amounts per consolidation books and amounts per tax books on intangible assets recognised as part of the acquisition; and on fixed assets and goodwill in case of taxable stock acquisition (e.g. eligible under §338(h)(10) in the United States). No deferred tax is recognised for non tax-deductible goodwill amounts.

In 2017, the deferred taxes income statement impact is mainly due to the US Tax Cuts enforced in December 2017 (Note 2.6).

Deferred tax assets movement In EUR Thousands	Tax losses capitalised	Pension accrual	Fixed assets depreciation - temporary differences - deferred tax assets	Other	Total, net
At beginning of year	35,140	10,349	10,203	25,282	-46,107
Exchange differences	-3,248	-181	-482	-2,446	1,907
Change of scope	31,776	263	10,271	-1,969	-83,523
OCI	-	92	-	795	887
Income Statement	-21,845	700	-1,627	-10,742	30,174
At end of year	41,823	11,223	18,365	10,920	-96,662

The deferred tax assets on tax losses capitalised mainly concern the tax unity Eurofins GeneScan GmbH (EUR 2.8m) and MWG Biotech AG (EUR 3.5m) in Germany, Eurofins Genomics LLC (EUR 1.9m in the US), Environmental US companies (EUR 8.4m) and EAG Inc (EUR 16.3m) with an expectation to be used within the next 7 years.

3.18 Change in net working capital

The change in net working capital as disclosed in the cash flow statement is the following:

EUR Thousands	2017	2016
Change in:		
Trade accounts receivable	-181,208	-81,271
Inventories	-12,258	-2,032
Prepaid expenses and other current assets	-34,466	-4,841
Trade accounts payable	71,741	33,107
Advance payments received and deferred revenues	48,732	8,983
Other current liabilities	62,867	29,059
Total changes – Balance Sheet	-44,592	-16,995
Change of scope – current assets	158,713	40,998
Tax credits accruals receivable transfer	-7,447	-6,656
Change of scope – current liabilities	-108,018	-29,113
Currency translation differences	-9,396	5,129
Total Cash Flow	-10,740	-6,636

3.19 Business combinations

During 2017 the Group concluded 100% of ownership of the following new significant acquisitions, except if stated otherwise (see also Note 5.1).

In February, Eurofins acquired Ahma Ymparisto Oy (“Ahma”), the second-largest environment testing laboratory in Finland. Founded in 1977, specialised in the fields of water, hydrobiology and bio-fuels testing in particular, the company employs 104 staff across its 3 main sites and generated revenues in excess of EUR 7m in 2016.

In March, Eurofins acquired Villapharma Research SL (“Villapharma”) in Spain. Villapharma provides organic synthesis and medicinal chemistry services to global pharmaceutical and biotech companies for the discovery and optimization of potential new drug candidates. Founded in 2003, Villapharma employs 86 staff at its laboratory in Murcia and runs a research outsourcing business model for its clients. The company generated more than EUR 6m of revenues in 2016.

In March, Eurofins completed the acquisition of Gözlem Gıda Kontrol ve Araştırma Laboratuvarları (“Gözlem”), a food testing laboratory in Turkey. Founded in 2002, Gözlem employs 124 staff, and operates 1 large laboratory in Istanbul, as well as internal laboratories at 13 client sites in Istanbul, Ankara and Izmir regions. The company generated revenues close to EUR 3m in 2016.

In March, Eurofins acquired Mechem Laboratories (“Mechem”) in Singapore. The company employs 76 staff. The company generated revenues close to EUR 3m in 2016.

In March, Eurofins acquired VBM Laboratoriet A/S (“VBM”), a laboratory offering testing services to the environment and construction materials sectors in Denmark. Founded in 1985, VBM employs 80 staff across its 3 sites, and generated revenues in excess of EUR 6m in 2016.

In April, Eurofins acquired the analytical laboratory business of Ramboll Group in Finland comprising 5 laboratories specialized in environment testing. The company employs 109 staff across 4 laboratories in the Southern region around

Helsinki, as well as at a satellite laboratory in Tallinn, Estonia, and generated revenues in excess of EUR 8m in 2016.

Eurofins acquired five clinical laboratories in France since April. The Group acquired iLab and Bléone Durance in Provence-Alpes-Côte d’Azur and Biosphère in Rhône-Alpes, consolidating the Group’s footprint in these regions. In addition, the Group acquired two groups of laboratories in Marseille and Martigues, both focused on specialty clinical testing. Eurofins also acquired three small clinical laboratories in Spain and one in Ireland. These laboratories have combined annual revenues of about EUR 17m in aggregate.

In June, Eurofins acquired 90% of the business unit Testing and Certification of Electrosuisse, association for electrical engineering, power and information technologies. The company employs 66 staff and generated revenues in excess of EUR 12m in 2016.

In June, Eurofins acquired Nab Labs Group Oy (“Nab Labs”), an environment testing laboratory in Finland. Founded in 1968, the company employs over 100 staff and generates annual revenues in excess of EUR 9m.

In June, Eurofins acquired Alphora Research Inc. (“Alphora”), a full service contract research, development and manufacturing organization (CRDMO) for complex and niche small molecule active pharmaceutical ingredients (APIs), based in Mississauga, Ontario, Canada. Alphora employs over 100 staff and generates revenues in excess of CAD 40m in 2017.

End of June, Eurofins acquired Environmental Laboratory Services Limited in Ireland. Founded in 1998, the company employs 27 staff and generates annual revenues in excess of EUR 2m.

In July, Eurofins acquired Dermatest Pty Ltd in Australia. The company employs 18 staff and generates annual revenues in excess of EUR 1m.

In July, Eurofins acquired MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH (“Hygel”), a group of clinical diagnostic laboratories headquartered in Gelsenkirchen, Germany. The company employs 370 staff across its 3 main sites as well as in laboratories that it operates for 4 local hospitals and generated revenues in excess of EUR 35m in 2016.

In July, Eurofins acquired GATC Biotech AG (“GATC”), one of Europe’s specialists in DNA sequencing. Founded in 1990, GATC employs 140 staff across 2 sites, and serves over 10,000 institutional and academic customers, generating annual revenues of about EUR 20m.

In the same time, Eurofins acquired 62.63% of the shares owned by GATC in LifeCodexx AG (“LifeCodexx”), one of Europe’s specialists in non-invasive prenatal testing (NIPT). LifeCodexx, headquartered in Constance, Germany. The company generated revenues of about EUR 7m in 2016.

In July, Eurofins acquired Genoma Group Srl (“Genoma”), a specialty diagnostics testing provider in Italy. Genoma employs about 100 staff across its 2 main sites in Rome and Milan, and generates annual revenues in excess of EUR 20m.

In July, Eurofins acquired Environmental Research & Industrial Co-operation (“ERICo”), the leading independent laboratory for environment testing services in Slovenia. Founded 25 years ago, the company employs 46 staff at its laboratory in Velenje, northeast Slovenia and generates annual revenues in excess of EUR 2m.

In July, Eurofins acquired Ana Laboratories, Inc. (“ANA”), one of the largest laboratory networks specialized in fluid and tribology analyses serving the public mass transit sector in the USA. The company employs 48 staff in 7 laboratories serving

75 of the largest city transit agencies (such as the New York City Transit), several statewide Departments of Transportation including Texas and Connecticut, as well as the largest railway companies nationwide and generates annual revenues in excess of EUR 2m.

In August, Eurofins announced the acquisitions of Japan Analytical Chemistry Consultants Co. Ltd. ("JACC") and 67% of Ecopro Research K.K. ("Ecopro"), specialised respectively in agrosience testing and food testing laboratory in Japan. JACC and Ecopro respectively employ 40 and 30 staff and generate annual revenues in excess of EUR 4m in aggregate.

End of August, Eurofins acquired DiscoverX, specialized in drug discovery products and services across all stages of discovery from target identification and lead discovery to preclinical and beyond. The company employs 137 staff in four locations in Fremont, San Diego, San Francisco (California) and Birmingham (England) and generates over USD 37m revenues in 2016.

In September, Eurofins acquired Amatsigroup, an international contract development and manufacturing organization (CDMO) providing preclinical and clinical phase services for the development of human and veterinary drugs. The company employs about 450 staff and is expected to generate over EUR 60m revenues in 2017 on a pro forma basis.

In October, Eurofins acquired Advinus Therapeutics ("Advinus"), a preclinical and clinical phase contract research company for Safety Assessment, DMPK, CMC services, and Analytical R&D Services. Located in Bangalore, India, the company generated revenues in excess of EUR 15m in the Fiscal Year ending March 31, 2017 with over 300 staff.

In October, Eurofins acquired Institut Nehring GmbH ("Institut Nehring"), a food testing laboratory in the German market. Institut Nehring was established in 1905. The company is headquartered in Braunschweig, Germany, employs 76 staff and generates annual revenues close to EUR 5m.

In October, Eurofins acquired the Forensics and Security division of LGC ("LGC Forensics"), specialized in the UK forensics market and a forensic DNA testing provider in Germany, from LGC Group. The company employs over 650 staff in eight locations, seven in the UK and one in Germany, and generates annual revenues in excess of EUR 45m.

In October, Eurofins acquired a food testing laboratory (Abraxis) in the USA, an environmental laboratory in The Netherlands (Sanitas), and two clinical diagnostics testing laboratories in Spain. These companies generate annual revenues in excess of EUR 10m in aggregate.

In October, Eurofins acquired My Eye Media in the USA, specialized in quality assurance, technical analysis and testing of digital content for the motion picture industry and is a Netflix preferred vendor. My Eye Media have offices in Burbank, California and New York, as well as additional locations in Warsaw and Tokyo. The company employs more than 70 staff and is expected to generate annual revenues in excess of EUR 10m in 2017.

In November, Eurofins acquired 60% of Spectro Analytical Labs Ltd., an environment, analytical product testing and inspection company in India. The company operates 5 state-of-the-art laboratories in India, employs close to 450 staff and generates annual revenues in excess of EUR 8m in 2017.

In November, Eurofins acquired a sensory and consumer research company in Germany and a laboratory in Lithuania. These two companies generate annual revenues in excess of EUR 14m in 2017.

In December, Eurofins acquired EAG Laboratories ("EAG"), a global scientific services company providing analytical testing

and consulting solutions to a diverse and demanding set of end markets. EAG serves three main markets, namely Material and Engineering Sciences, Agrosience and Biopharmaceuticals. EAG is headquartered in San Diego and has 21 laboratories in 18 locations worldwide, serving approximately 4,000 customers with revenue generated from more than 50 countries. EAG employs over 1,000 scientists and support personnel, and generates revenues in excess of US\$ 220m in 2017.

End of December, Eurofins acquired Pasteur Group ("Pasteur"), a player in clinical diagnostics in greater area of Santos in Brazil, Sao Paulo state. Pasteur expects to generate revenues in excess of BRL 25m in 2017. The company employs 190 staff.

End of December, Eurofins acquired Craft Technologies, Inc. ("Craft Technologies"), a contract laboratory providing analysis of nutrients, vitamins, carotenoids, bioflavonoids and phytochemicals. Craft Technologies, located in Wilson, North Carolina, employs 16 staff and generates revenues around EUR 1.5m.

End of December, Eurofins acquired Selcia Limited ("Selcia"), a contract research provider of radiolabeling services in UK. Selcia, located in Ongar, Essex, employs 68 staff and generates revenues around EUR 10m in 2017.

End of December, Eurofins acquired MET Laboratories, Inc. ("MET"), an independent National Recognized Testing Laboratory (NRTL) electrical testing laboratory providing testing, certifications, listing and labeling marks. MET is located in the US (Baltimore, Santa Clara, Austin, Union City), China (Shenzhen), Taiwan (Taipei) and Korea (Seoul). MET employs 199 staff and revenues are in excess of EUR 25m.

Furthermore, during 2017, some other small companies have been acquired, discontinued or sold for non-significant aggregated amounts.

As Eurofins carries out multiple acquisitions each year, Management takes the view to only provide this information with paragraph B64 of IFRS 3 on an aggregate level basis as none of these acquisitions would be relevant individually, except for EAG, Amatsi and DiscoverX.

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

EUR Thousands	EAG	Amatsi	Discover X	Other Acq.	2017	2016
Property plant and equipment	-49,600	-22,907	-1,265	-88,378	-162,150	-33,241
Intangible assets	-2,222	-1,230	0	-1,519	-4,970	-748
Customer relationships and brands	-178,969	-34,860	-40,798	-151,162	-405,789	-43,167
Investments	0	0	0	-2,381	-2,381	12,001
Financial assets	-635	-727	-380	-2,754	-4,496	-709
Trade Accounts Receivable, net	-41,598	-16,566	-4,507	-61,177	-123,848	-34,809
Inventories	-106	-1,403	-2,657	-7,663	-11,828	-3,939
Other receivables	-6,394	-2,910	2,244	-15,978	-23,037	-2,250
Deferred income taxes assets	0	-225	0	-5,703	-5,928	-2,151
Corporate tax receivable	3	-65	0	1,604	1,541	-1,220
Cash	-11,326	-4,593	-6,909	-41,813	-64,641	-15,160
Current liabilities	28,462	19,013	2,990	57,553	108,018	29,113
Corporate taxes due	149	558	43	285	1,035	1,190
Borrowings	1,576	27,406	57	57,371	86,411	9,738
Accrued Interest Payable	0	6	12	27	45	-59
Pension accrual	0	1,483	0	1,890	3,373	1,095
Provisions for risks	421	314	0	103	838	1,062
Deferred income taxes liabilities	35,811	10,302	8,011	35,327	89,451	8,610
Net Assets Acquired	-224,427	-26,404	-43,159	-224,366	-518,356	-74,644
Goodwill	-441,966	-117,864	-77,953	-369,686	-1,007,469	-148,718
Negative Goodwill	0	0	0	0	0	109
Gain on sale on disposal of a subsidiary	0	0	0	2,594	2,594	0
Non controlling interests	0	0	0	2,084	2,084	1,892
Amounts due from business acquisitions on new acquisitions	0	2,633	0	52,443	55,076	17,180
Purchase price paid	-666,393	-141,635	-121,112	-536,930	-1,466,070	-204,181
Less cash	11,326	4,593	6,909	41,813	64,641	15,160
Amounts due from business combinations paid	0	0	0	-132,932	-132,932	-12,101
Net Cash Outflow on Acquisitions, net	-655,067	-137,042	-114,204	-628,050	-1,534,362	-201,122
Divided into:						
Cash outflow on acquisition					-1,536,956	-201,179
Proceeds from disposals of a subsidiary net of cash transferred					2,594	57

The amount shown under Investments is related to the acquisitions of Ashwood (Food testing laboratory UK), Minerag (AgroSciences Services HU) and Saikan (Environmental Laboratory JP) acquired at the end of December 2017 and that will be fully consolidated as from January 1, 2018. These companies generate annual sales of around EUR 4m

The businesses acquired contributed to Eurofins consolidated revenues for EUR 216 million and to consolidated EBITAS for EUR 30 million in 2017. If the effective dates of these acquisitions would have been January 1, 2017, Group consolidated revenues would have been increased by an additional EUR 486 million and consolidated EBITAS increased by an additional EUR 66 million. EAG, Amatsi and DiscoverX contributed respectively to Eurofins consolidated revenues for EUR 18m, 21m and 15m and to consolidated EBITAS for EUR 4m, 2m and 4m in 2017. If the effective dates of these acquisitions would have been January 1, 2017, Group consolidated revenues would have been increased by EUR 182m, 37m and 22m and consolidated EBITAS increased by EUR 34m, 3m and 2m respectively.

The net cash outflow on acquisitions concerns both acquisitions completed in 2017 and in previous years (in case of payment of deferred considerations).

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

On the last acquisitions completed in December 2017, the purchase price allocation between goodwill and intangible assets related to acquisitions has not been finalised. It will be completed in 2018.

The Group did not carry out any bargain purchases in 2017.

The part of goodwill and other intangible assets related to acquisitions completed in 2017 that are tax deductible represents an amount of EUR 193m.

For all companies acquired in 2017, the provisional fair value of net assets acquired was as follows:

EUR Thousands	2017		
	Book value prior to acquisition	Fair value adjustment	Fair value on acquisition
Property plant and equipment	-131,840	-30,310	-162,150
Intangible assets	-4,970	-	-4,970
Customer relationships and brands	-	-405,789	-405,789
Investments	-2,381	-	-2,381
Financial assets	-4,497	1	-4,496
Trade accounts receivable, net ¹	-128,436	4,588	-123,848
Inventories	-11,828	-	-11,828
Other receivables	-23,070	33	-23,037
Deferred income taxes assets	-	-5,928	-5,928
Corporate tax receivable	1,541	-	1,541
Cash	-64,641	-	-64,641
Current liabilities	107,578	440	108,018
Corporate taxes due	1,035	-	1,035
Borrowings	86,411	-	86,411
Accrued interest payable	45	-	45
Pension accrual	3,373	-	3,373
Provisions for risks	838	-	838
Deferred income taxes liabilities	-	89,451	89,451
Net Assets Acquired	-170,842	-347,514	-518,356

¹ The gross amount of trade accounts receivable was EUR 128,436K and the provision for bad debts EUR 4,588K.

3.20 Shareholders' equity

As of December 31, 2017, the Company's share capital is composed of 17,643,914 shares of EUR 0.10 each (versus 16,926,141 shares restated as of December 31, 2016). The allotted, called-up and fully paid capital amounts to EUR 1,764K.

During 2017, the shareholders' equity increased by EUR 320,002K corresponding to 717,773 new shares being issued.

Out of the shares issued in 2017, 573,277 correspond to two share capital increases that occurred in August (23,277 shares in link with the acquisition of the non-controlling interests in Bio-Access Group (see note 3.14) and in November when the Company raised total gross proceeds of c. EUR 299 million following the issuance of 550,000 new shares to institutional investors, at a price of EUR 543 per share. Issuance commissions and fees related to this issuance of capital amounted to EUR 2.7m.

The remaining 144,496 shares issued correspond to the exercise of stock options and BSAAR warrants by employees. (see more details in note 4.7).

Other reserves correspond to the legal reserve and share premium. Retained earnings correspond to the accumulated reserves not distributed.

Furthermore, a EUR 33.9m dividend (EUR 2.00 per share) was paid in July 2017.

3.21 Non-controlling Interests

The measurement policy of the Non-controlling interests (NCI) is explained in Note 1.3.

The Non-controlling Interests (NCI) valued at the fair value at acquisition time relate to the following companies:

- Eurofins Cerep SA for the remaining non-controlling interests of circa 4.2%. During 2017, the Group acquired an additional 5.8% of Eurofins Cerep SA shares. The valuation of the NCI is based on the take-over bid price of EUR 2 per share. This is a level 1 fair value measurement.
- the companies listed below for their remaining NCI, already controlled by the Group in 2016:
 - Eurofins Environment Testing Australia: 9%;
 - Agrisearch Services (Australia/ New Zealand):19% ;
 - Laboratories des Pyramides SELAS (France):28% ;
 - EGL (US): 12.5% ;
 - Eurofins Digital Testing (Belgium, Poland, Sweden, UK): 9% in lieu of a previous agreement only including Belgium and Poland and for a stake of 12%.
- and the newly consolidated companies in 2017:
 - Spectro Analytical Labs (India): 40%;
 - EcoPro Research K.K (JP): 33%.

Except for Eurofins Cerep SA, the valuation is based on the value of the Put and Call option at a variable price, as defined in Note 3.14 'Amounts due for business acquisitions' for the put and call option at a variable price. This is a level 3 fair value measurement.

The non-controlling interests of the companies listed above consequently bear the risks and rewards attached to their shareholding, which are recognised as Non-controlling interests. Most minority shareholders are managing directors of the companies and they have a right to the dividend of the company in which they hold a non-controlling interest.

The Group has elected the full goodwill method on these deals; the non-controlling interests have been in consequence recognised at their fair value against goodwill at acquisition time.

In accordance with IAS 32.23, the Group has recognised its obligation to purchase the shares under the put option as a financial liability under the caption "amounts due for business acquisitions". The same paragraph states that the financial liability is reclassified from equity.

During 2017, the Group acquired the 34% non-controlling interests in Bio-Access Group, 34.9% shares in Eurofins Sac Ky Hai Dang Company Limited (Vietnam) and 2% shares in Kalibios Srl (Italy).

See Note 3.14.

3.22 Change in investments, financial assets and derivative financial instruments, net

EUR Thousands	2017	2016
Investments in associates change (Note 3.4)	270	264
Financial assets and other receivables from acquisitions/ disposals (Note 3.5)	-3,781	-892
Total	-3,511	-628

4. Other information

4.1 Segment information

The Group operates in seven main geographical areas in the Analytical testing business (see Note 1.26). These are Benelux, France, Germany, North America, Nordic Region, UK and Ireland, and Other.

Revenues EUR Thousands	2017	As % of total	2016	As % of total	% 2017 2016
Benelux	214,784	7.2%	191,155	7.5%	12.4%
France	677,770	22.8%	625,898	24.7%	8.3%
Germany	342,545	11.5%	279,442	11.0%	22.6%
North America	902,815	30.4%	803,635	31.7%	12.3%
Nordic Region	212,434	7.1%	172,420	6.8%	23.2%
UK and Ireland	161,634	5.4%	121,984	4.8%	32.5%
Other	459,435	15.5%	342,074	13.5%	34.3%
Total	2,971,417	100.0%	2,536,608	100.0%	17.1%

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

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

Total Assets EUR Thousands	2017	2016
Benelux	993,817	875,240
France	1,141,608	1,015,976
Germany	455,921	286,919
North America	1,970,964	1,198,692
Nordic Region	233,507	180,525
UK and Ireland	273,929	117,842
Other	762,560	454,221
Total	5,832,307	4,129,415

Investments EUR Thousands	2017	2016
Benelux	60,643	71,888
France	214,986	53,737
Germany	149,553	31,347
North America	882,397	103,383
Nordic Region	53,533	15,082
UK and Ireland	127,775	24,443
Other	170,108	91,678
Total	1,658,995	391,559

Investments include the purchase of property, plant, equipment (EUR 200,645K) and intangible assets (EUR 45,090K) as well as the change of scope for goodwill (EUR 1,007,469K) and for intangible assets related to acquisitions and brands (EUR 405,790K).

4.2 Financial risk management

Liquidity risk

During 2015, the Company issued hybrid capital for a par value of EUR 300m in April 2015 and two senior unsecured Euro bonds for EUR 500m each in January and July 2015 (Note 3.10 & 3.12).

During 2016, the Company raised total proceeds of EUR 501m following the issuance of new shares (Note 3.20).

During 2017, the Company raised total proceeds of EUR 320m following the issuance of new shares (Note 3.20).

In 2017, the Company also issued a new senior unsecured Eurobond for EUR 650m in July and a new hybrid instrument with a par value of EUR 400m in November (Note 3.10 & 3.12).

At year-end, the Company and its subsidiaries also entered into several loan and facility agreements with a number of banks.

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

The hybrid capital instruments and Euro bonds are not secured by any financial covenants.

The Group has made a detailed review of its liquidity risk and considers that it is capable of honouring its debt. In regards to the current economic environment, it should be noted that the Company complies with its leverage ratio and at this time does not anticipate any particular liquidity problems or issues regarding the financial covenants within the next twelve months.

The leverage ratios as at December 31, 2017 and 2016 are as follows:

EUR Thousands	2017	2016
Net debt (Note 3.9)	1,395,373	557,780
Adjusted EBITDA	556,723	479,623
Leverage ratio	2.51	1.16

The leverage ratio as at December 31, 2017 calculated on the pro forma Adjusted EBITDA was 2.14.

Bearing in mind the uncertainties affecting the banking industry on a global basis, the likely increase of interest rates and the possible difficulties for corporate enterprises to access the credit markets, it is possible that the Company will bear a higher cost on its short, medium and long term lines of credit than was available previously. This could have adverse effects on the Company's net worth, financial position, and operating results and even its very existence.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period between the balance sheet date and the maturity date.

EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Year 2017				
Bank borrowings par value	32,948	20,753	8,282	3,912
Lease liabilities	17,227	6,669	8,851	1,707
Bonds par value	1,950,000	300,000	500,000	1,150,000
Commercial paper par value	230,000	230,000		
Amounts due for business acquisitions (not discounted)	141,311	89,465	49,952	1,894
Earnings due on hybrid capital	30,881	30,881	-	-
Current and future interest due ¹	299,779	86,195	169,000	44,585
Trade accounts payable	301,863	301,863	-	-
Total	3,004,009	1,065,826	736,085	1,202,098

¹ Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments

As at December 31, 2017, Cash and cash equivalents stood at EUR 820,357K (Note 3.9).

EUR Thousands	Total	Up to 1 year	2-5 years	Over 5 years
Year 2016				
Bank borrowings par value	78,063	39,927	35,839	2,297
Lease Liabilities	14,196	5,724	7,673	799
Bonds par value	1,299,521	-179	299,700	1,000,000
Amounts due for business acquisitions (not discounted)	236,042	46,666	174,476	14,900
Earnings due on hybrid capital	29,171	29,171	-	-
Current and future interest due ¹	237,089	68,363	123,682	45,044
Trade accounts payable	230,122	230,122	-	-
Total	2,124,203	419,793	641,370	1,063,039

¹ Including interests due on borrowings until their full repayment and the impact of any derivative financial instruments

As at December 31, 2016, Cash and cash equivalents stood at EUR 826,098 (Note 3.9).

Besides the above the Company has unused committed bilateral borrowing facilities or other lines of credit that it can access to meet its liquidity needs.

Interest rate risk

In order to finance parts of its acquisition and expansion costs, the Company and its subsidiaries have entered into several loan and facility agreements as specified above. The loans and facilities are either based on a fixed rate or on a variable rate. The variation risk of some loans and facilities with a variable interest rate in the Company and in some of its subsidiaries has been partially hedged by various financial instruments (e.g. swap with a fixed rate or cap with a maximum interest rate covering a certain period, Note 4.5).

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

Currency risks

Presently, the Group generates roughly 50% of its revenues outside of the Euro-Zone. The Group will continue to conduct its business activities in the future via subsidiaries in various countries. However, in most cases, the revenues and operating results as well as most items on the balance sheet of its subsidiaries (intangible, fixed and current assets, certain financial and current liabilities) are settled in the domestic currency without any real exchange risk. Accounting-wise, these operating results and balance sheet items are recorded in the relevant foreign currency and then converted into Euro, for translation into the Company's consolidated financial statements at the applicable exchange rate.

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

However, even though the Company intends to continue to take such measures in the future in order to at least partially

mitigate the effects of such exchange rate fluctuations, future exchange rate fluctuations could have a material adverse effect on the Company's financial position and operating results, particularly with respect to the US, Canadian, Taiwan, Singapore, New Zealand and Australian Dollar, the Danish, Swedish and Norwegian Krona, the Chinese Yuan and Japanese Yen, the Brazilian Real and the Pound Sterling.

Credit risk

Given the quality of the Group customers, the Company believes the risk of bad debts is low. The rate of default suffered by the Company in proportion to its sales has been very low in the last five fiscal years. On average during this period, doubtful accounts represented around 1% of the annual revenues, whilst customer terms of payment are in accordance with ordinary commercial practices in each country where the Company is active. During times of more difficult economic and trading conditions, such as at present, the Company pays particular attention to the ability of new and existing customers to pay their debts. At all times the Company considers that its provisioning policy for doubtful debtors is appropriate. However, if any major customers were to default, there would be a negative impact on earnings. In its lines of business, the Group has a large number of customers. The Company endeavours not to be dependent on any single customer. The Group's biggest customer represents less than 2% of the consolidated revenues and the first 10 customers of the Company represent altogether less than 10% of the consolidated revenues.

More particularly, the credit risk associated with US clinical diagnostic testing services is described in more detail in Notes 1.12 and 1.23.

However, the loss of one or more of these customers would have an adverse effect on the Group's financial position and operating results or in extreme cases its very existence.

The amounts relating to trade accounts receivable, bad debt provision and the ageing balance are shown in Note 3.7.

4.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

4.4 Contractual obligations and other commercial commitments

Contingent liabilities over borrowings:

The liabilities and borrowings listed below are already included in the Group's balance sheet. The following table only repeats these amounts when these borrowings are secured by covenants or securities on assets.

EUR Thousands	2017	2016
Bank borrowings secured over buildings and other assets ¹	5,534	2,162
Leases secured over buildings and other assets ²	16,488	14,280
Bank borrowings secured by covenants & assets	9,248	8,198
Total borrowings and leases secured	31,270	24,640
Bank borrowings & OBSAAR secured by covenants	80	24,100
Bank borrowings guaranteed by the direct parent of the borrower	1,101	2,210
Total	32,451	50,950

¹ Furthermore, some of these bank borrowings are also secured by covenants.

² Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The Group complies with the covenants of its relevant lines of credit as at December 31, 2017.

The Group's other contractual obligations and commercial commitments as of December 31, 2017 are detailed as follows:

Other contractual obligations	Total	Up to 1 year	2-5 years	Over 5 years
EUR Thousands				
Total Operating leases	514,304	93,584	247,219	173,501
- Buildings ¹	489,829	84,370	232,021	173,438
- Equipment & cars	24,475	9,214	15,198	63
Irrevocable purchase obligations	-	-	-	-
Total	514,304	93,584	247,219	173,501

¹ Present value of future aggregate minimum lease payments, non-cancellable.

The amounts of operating real estate lease payments recognised as an expense during the period are the following:

EUR Thousands	2017	2016
Operating lease payments	86,132	77,035

The amounts of other operating lease payments (mainly cars and information communication technology devices) recognised as an expense in 2017 amount to EUR 12,091k.

Other commercial commitments	Total	Up to 1 year	2-5 years	Over 5 years
EUR Thousands				
Guarantees given related to financing	14,875	-	-	14,875
Guarantees given related to acquisitions	-	-	-	-
Total	14,875	-	-	14,875
Guarantees received	-	-	-	-
Total guarantees, net	14,875	-	-	14,875

Detail of guarantees given related to financing

- The Company has counter-guaranteed the Swedish insurance entity "Försäkringsbolaget Pensionsgaranti" for all amounts due that this entity should have to pay to the current and past employees of the Swedish companies, indirect subsidiaries of Eurofins Scientific S.E., for their pension obligation for a maximum amount of EUR 13,675K (this amount is accounted for in the caption "retirement benefit obligations" Note 3.15).
- In the context of a EUR 1,200K grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failing to meet its commitments related to this grant.

Detail of guarantees given related to acquisitions

None.

Other commitments given

To the Group's knowledge, no other significant off-balance sheet commitments are in existence.

The Group has not set up any factoring or securitization transactions with third parties.

Detail of guarantees received

None.

4.5 Exposure to market and counterparties risks

EUR Thousands	2017	2016
Derivative financial assets	90,477	85,554
Derivative financial liabilities	-239	-1,659
Total net	90,238	83,895

Exposure to interest rate risk

In order to hedge the Group's exposure to interest rate fluctuations particularly related to the 2010 OBSAAR bonds and part of the Schuldschein promissory note, the Group has concluded hedging contracts in order to swap its floating interest rate against a fixed rate. These contracts are either with immediate or deferred effect.

Consequently, the Group has concluded interest rate hedging contracts with deferred effective dates for the period December 2017 to July 2018 for a total nominal amount of EUR 10m.

The previous year fair value of the financial instruments has been passed to the Income Statement for an amount of EUR 1,659K.

The fair value of the remaining swaps estimated as a liability of EUR 239K has been accounted for in the Income Statement, as the underlying debts were repaid in full in 2016 and the cash flow hedge was no longer efficient.

Interest Rate ¹	Notional principal value	Fair value (in EUR Thousands)		
		Opening	Change	Closing
3.68%	-	-1,032	1,032	-
3.88%	-10,000	-627	388	-239
	-10,000	-1,659	1,420	-239

¹ Interest rate applicable at the end of December 2017

The amount booked in equity is transferred to net profit as far as the underlying instrument impacts the net profit.

The impact on the valuation of the financial instruments of a shift of +/- 1 percentage point in the yield curve would not be material on the Group's total equity.

The Group's net exposure to interest rate risk for the borrowings as per balance sheet date, taking into account the above hedging transactions is presented below:

	2017	2016
Borrowings at fixed interest rates	99%	95%
Borrowings at floating interest rates	1%	5%

Given the breakdown between fixed rate and floating rate assets and liabilities as at December 31, 2017, a 1% increase or decrease in interest rates would have a full-year impact of +/- EUR 224K on results before income taxes.

EUR Millions	Rate	Up to 1 year	2-5 years	Over 5 years	Total
Assets (Note 3.9)	Fixed	-153.3	-	-	-153.3
	Floating	-	-	-	-
Borrowing and issuance costs	Fixed	4.6	2.7	2.4	9.7
	Floating	15.3	5.8	1.2	22.3
Bonds	Fixed	300.0	500.0	1,150.0	1,950.0
	Floating	-	-	-	-
Commercial paper	Fixed	230.0	-	-	230.0
	Floating	-	-	-	-
Net exposure Before hedge	Fixed	381.3	502.7	1,152.4	2,036.4
	Floating	15.3	5.8	1.2	22.3
Hedge	Fixed	-	-	-	-
	Floating	-	-	-	-
Net exposure after hedge	Fixed	381.3	502.7	1,152.4	2,036.4
	Floating	15.3	5.8	1.2	22.3

Exposure to other market risks

The Group uses non-complex or complex derivative instruments in order to hedge its potential exposure to changes in market values of certain underlying assets that may arise in the future.

The assets correspond to listed equity derivatives. The fair value of these assets amounts to EUR 90.5m as of December 31, 2017 vs EUR 85.6m as of December 31, 2016.

A 10% increase or decrease of the above-mentioned derivative instrument would have a full-year impact of +/- EUR 9 million on results before income taxes.

Exposure to currency risk

The most significant currencies for the Group were translated at the following exchange rates into Euro.

Value of EUR 1	Balance Sheet		Income Statement	
	End of period rates		average rates	
	Dec. 31, 2017	Dec. 31, 2016	2017	2016
US dollar	1.19	1.05	1.13	1.11
Pound sterling	0.89	0.86	0.88	0.82
Swedish krona	9.97	9.52	9.62	9.43
Norwegian krone	9.98	9.09	9.31	9.26
Danish krone	7.45	7.43	7.44	7.45
Japanese yen	135.14	123.46	126.58	120.48
Australian dollar	1.55	1.46	1.47	1.49
Brazilian Real	3.92	3.42	3.59	3.86

As at December 31, 2017, the exposure to currency risk breaks down as follows (amounts in EUR Millions):

Currency	Assets	Liabilities	Off-balance sheet Commit -ments	Net position before hedge	Hedge	Net position after hedge
DKK	121	104	-	16	-	16
SEK	95	82	15	-2	-	-2
NOK	36	29	-	7	-	7
USD	2,131	1,317	-	815	-	815
GBP	204	129	-	75	-	75
BRL	56	37	-	19	-	19
Other ¹	524	266	-	258	-	258
Total	3,166	1,964	15	1,187	-	1,187

¹ non Euro

A 1 percentage point increase or decrease in exchange rates would have an impact of EUR 11.7m on the Group's equity and an impact on the Group's EBITAS of EUR 1.3m.

Net investment hedge

The Company has designated instruments to hedge net investments in foreign operations. An entity may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. Such monetary items may include long-term receivables or loans. In particular, they correspond to Intercompany loans denominated in Euros and in US Dollars provided by Eurofins GSC Finance NV (lender) to other companies of the Group (borrowers) trading in currencies other than Euro.

The nature of the risk hedged is the change in foreign exchange rates between the currency of the loan and the currency of either the lender or the borrower.

Currency of lender	Currency of borrower	Currency of loan	31.12.2017	31.12.2016
EUR	USD	USD	921,336	472,025
EUR	CAD	CAD	16,600	14,827
EUR	DKK	DKK	10,993	3,686
EUR	NOK	NOK	4,821	5,290
EUR	SEK	SEK	10,901	3,271
EUR	AUD	AUD	2,665	-
EUR	CHF	CHF	1,758	-
EUR	GBP	GBP	6,932	1,294
EUR	INR	INR	24,229	-
EUR	JPY	JPY	444	-
EUR	DKK	EUR	45,452	41,386
EUR	GBP	EUR	53,295	33,557
EUR	CAD	EUR	30,790	-
EUR	SEK	EUR	26,543	24,977
EUR	BRL	EUR	24,232	24,330
EUR	NOK	EUR	11,058	11,240
EUR	CCH	EUR	8,177	85
EUR	AUD	EUR	9,201	6,404
EUR	USD	EUR	6,742	6,742
EUR	CNY	EUR	4,203	4,205
EUR	PLN	EUR	2,773	2,716
EUR	JPY	EUR	5,706	-
EUR	TWD	EUR	1,875	-
EUR	RON	EUR	1,354	-
EUR	NZD	EUR	1,545	1,165
EUR	TRY	EUR	260	-
EUR	THB	EUR	103	-
EUR	HUF	EUR	1,214	-
EUR	BGN	EUR	215	100
Total			1,235,414	657,300

The net investment in hedged foreign operations is worth EUR 1,235m (fully eliminated in consolidation).

The fair value of hedging represents a negative value of EUR 22.6m at the end of 2017 included in "Currency translation differences" in equity.

Credit quality of financial assets

The Group may be exposed to the risk of losses on cash and other financial instruments held or managed on its behalf by financial institutions, if any of its counterparties defaults on its obligations. Group policy is to limit its exposure by dealing solely with leading counterparties and monitoring their credit ratings, in line with guidelines approved by the Company. However, credit risks arising from transactions with financial counterparties can escalate rapidly and a high credit rating is no guarantee that an institution will not experience a rapid deterioration of its financial position. As a result, there is no guarantee that this policy will be effective in entirely eliminating counterparty risk. Any default by a counterparty could have a material adverse effect on the Group's objectives, operating income and financial position.

To limit the Group's exposure to credit risk, the Treasury and Financing Department has defined the following rules for treasury investments at corporate level:

- One single counterparty should represent no more than 25% of total invested amount; a counterparty is defined as a financial institution including all its subsidiaries and affiliates.
- Counterparties should have a short-term rating of A1/P1F1 or above from Standard & Poor's / Moody's / Fitch respectively.
- In order to mitigate sovereign risk, invested amounts should be spread into at least 3 countries of solid reputation, mostly in the Euro zone. One country should not account for more than 40% of the total invested amount.
- In order to ensure optimal liquidity, most treasury investments should have daily liquidity. However, short notice periods (max 32 days) are acceptable for limited amounts.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

In the context of negative short term interest rate across many European countries, the Group may decide to ease some of the criteria listed above in order to avoid any loss on capital (i.e. no negative remuneration on cash deposit).

The cash and marketable securities are allocated within the cash generating units as follows:

Cash & cash equivalents per CGU EUR Thousands	2017	in %	2016	in %
Eurofins				
Scientific S.E.	491,564	60%	574,164	70%
Benelux	85,613	10%	29,441	4%
France	41,238	5%	54,762	7%
Germany	34,786	4%	33,833	4%
North America	63,512	8%	428	0%
Nordic Region	19,679	2%	17,313	2%
UK and Ireland	14,372	2%	11,437	1%
Other	69,594	8%	104,720	13%
Total	820,357	100%	826,098	100%

It should be noted that the breakdown of cash and marketable securities shown in the table above reflects the geographic distribution among cash generating units and not by counterparty.

Short term deposits with banks (EUR 153,293K) are invested for more than 95% with banks in France, Germany and Luxembourg.

The maximum credit risk to which the Group is theoretically exposed to as at December 31, 2017 is the carrying amount of financial assets.

4.6 Financial instruments by category

The carrying and fair values of the financial assets and financial liabilities are as follows:

EUR Thousands	Carrying value	Financial assets classification				Fair value
		Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	
Assets						
Year 2017						
Available for sale financial assets (Note 3.5)	9,422	-	-	-	9,422	9,422
Financial assets trade and other receivables – non current (Note 3.5)	34,520	34,520	-	-	-	34,520
Trade and other receivables excluding prepayments - current (Note 3.7, 3.8)	768,054	768,054	-	-	-	768,054
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Derivative financial instruments (Note 4.5)	90,477	-	90,477	-	-	90,477
Short term deposits with banks (Note 3.9)	153,293	-	153,293	-	-	153,293
Cash and cash equivalents	667,064	667,064	-	-	-	667,064
	1,722,830	1,469,638	243,770	-	9,422	1,722,830

EUR Thousands	Carrying value	Financial liabilities classification			Fair Value
		Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	
Liabilities					
Year 2017					
Borrowings (Note 3.10)	2,216,330	-	-	2,216,330	2,308,252
Interest and earnings due on hybrid capital (Note 3.11)	64,472	-	-	64,472	64,472
Amounts due for business acquisitions (Note 3.14)	137,756	-	-	137,756	137,756
Derivative financial instruments (Note 4.5)	239	239	-	-	239
Trade accounts payable, other current liabilities, advance payments received and deferred revenues	708,473	-	-	708,473	708,473
	3,127,270	239	-	3,127,031	3,219,192

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, Derivative financial instruments assets or Eurobonds);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. such as prices) or indirectly (i.e. derived from prices) (Level 2 - Derivative financial instruments liabilities);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

There were no transfers between levels.

With the exception of the non-current fixed-rate borrowings, the Group considers the carrying value of the financial instruments to approximate their fair value.

Regarding borrowings, their fair value is based on:

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond November 2018 (fair value amount of EUR 308m against a carrying value of EUR 300m).
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2022 (fair value amount of EUR 525m against a carrying value of EUR 500m).

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2023 (fair value amount of EUR 544m against a carrying value of EUR 500m).
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond July 2024 (fair value amount of EUR 665m against a carrying value of EUR 650m).

The fair value of current borrowings (including overdraft) equals to their carrying amount, as the impact of discounting is not significant.

EUR Thousands	Financial assets classification					Fair value
	Carrying value	Loans and Receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Available for sale	
Assets						
Year 2016						
Available for sale financial assets (Note 3.5)	4,730	-	-	-	4,730	4,730
Financial assets trade and other receivables – non current (Note 3.5)	29,424	29,424	-	-	-	29,424
Trade and other receivables excluding prepayments - current (Note 3.7, 3.8)	567,088	567,088	-	-	-	567,088
Financial assets at fair value through profit and loss	-	-	-	-	-	-
Derivative financial instruments (Note 4.5)	85,554	-	85,554	-	-	85,554
Short term deposits with banks (Note 3.9)	506,019	-	506,019	-	-	506,019
Cash and cash equivalents (Note 3.9)	320,079	320,079	-	-	-	320,079
	1,512,894	916,591	591,573	-	4,730	1,512,894

EUR Thousands	Financial liabilities classification				Fair value
	Carrying value	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	
Liabilities					
Year 2016					
Borrowings (Note 3.10)	1,383,878	-	-	1,383,878	1,419,778
Interest and earnings due on hybrid capital (Note 3.11)	58,190	-	-	58,190	58,190
Amounts due for business acquisitions (Note 3.14)	224,111	-	-	224,111	224,111
Derivative financial instruments (Note 4.5)	1,659	1,659	-	-	1,659
Trade accounts payable, other current liabilities and advance payments received and deferred revenues	525,134	-	-	525,134	525,134
	2,192,972	1,659	-	2,191,313	2,228,872

4.7 Potentially dilutive instruments

Stock option plans

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

Share options	2017	2016
At beginning of the year	835,876	794,682
Options granted ¹	211,085	216,660
Options exercised	-137,002	-129,801
Options expired or lost	-81,155	-45,665
At end of the year	828,804	835,876

¹ Under conditions (strike price, date of exercise, etc.) of new option plans (Note 2.4).

As at December 31, 2017, 828,804 stock options awarded are still outstanding. Further details can be found in the "Management Report".

Free shares

Free shares are granted to directors and employees. In accordance with article 8bis of the Company's articles of association ("capital autorisé"), the Board of Directors decided during meetings held on April 4, 2017 and December 13, 2017 to grant up to 14,340 capital-providing securities in the form of free shares, conferring the beneficiaries the right to subscribe for one share of the Company.

Movements in the number of free shares outstanding are as follows:

Free shares	2017	2016
At beginning of the year	10,481	-
Free shares granted	14,340	10,481
Free shares lost	-543	-
At end of the year	24,278	10,481

BSAAR warrants (Notes 1.18 and 3.10)

The BSAAR warrants have been mainly subscribed by some business leaders of the Group. Movements in the number of shares to be possibly issued upon exercise of BSAAR warrants are as follows:

In potential new shares	2017	2016
At beginning of the period	7,772	8,292
BSAAR exercised	-7,494	-520
BSAAR forfeited	-278	-
At end of the period	0	7,772

2014 BSA Leaders Warrants

Upon decision and authorization granted by the Board of Directors of June 19, 2014, the Managing Director of the Company following a decision dated July 1, 2014 decided to issue up to 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58.

The subscription price was set at EUR 18.15 per 2014 BSA Leaders Warrant. 2014 BSA Leaders Warrant holders will have the option to exercise their 2014 BSA Leaders Warrants at any time starting 4 years from the date of subscription ie between July 1st, 2018 and June 30, 2022 inclusive.

Partial and optional acquisition price payments in Eurofins shares

At December 31, 2017, the overall number of Eurofins shares potentially deliverable is 0 share.

Class A beneficiary units

Until 30 June 2017 inclusive, Class A beneficiary units, which confer no right to dividends but a right to one vote, were allocated to holders of fully paid-up shares for which proof was provided of registration in the name of the same shareholder for at least three consecutive years.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

Consequently, the Company's shareholder Analytical Bioventures SCA decided to pay in July 2017 a cash contribution of EUR 640,000 equivalent to EUR 0.10 per Class A beneficiary unit.

The total number of Class A beneficiary units increased from 6,532,840 as of December 31, 2016 to 6,535,247 as of December 31, 2017.

Class B beneficiary units

Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

In June 2016 and March 2017 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (2,000,000 in total) on the equivalent number of shares out of its 6,400,000 shares registered in a registered account for five consecutive years in the name of the Company's shareholder Analytical Bioventures SCA for a cash contribution of EUR 200,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units amounts to 2,000,000 as of December 31, 2017.

Voting rights

Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However as mentioned above, class A and class B beneficiary units ("*part bénéficiaire de catégorie A*" and "*part bénéficiaire de catégorie B*") carrying an extra voting right each can be allotted to all fully paid-up shares fulfilling conditions as specified in the last two paragraphs. As at December 31, 2017, a total amount of 8,535,247 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 26,179,161.

Own shares

As at December 31, 2017, the Company does not own any of its shares (same as of December 31, 2016).

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

In Thousands	2017	2016
Weighted average number of shares outstanding (basic)	17,099	15,990
Weighted average number of stock options	769	837
Weighted average number of free shares	12	4
Weighted potential number of shares by BSAAR exercise	-	8
Weighted potential number of shares by 2014 BSA Leaders warrants exercise	118	118
Weighted average shares outstanding (diluted)	17,998	16,957

4.8 Earnings per share

	Net Profit of the period (in EUR Thousands)	Weighted average number of shares outstanding	Earnings per share (in EUR)
Basic			
Total	216,771	17,099	12.68
Hybrid capital investors ¹	37,335	-	2.18
Equity holders	179,436	17,099	10.49
Diluted			
Total	216,771	17,998	12.04
Hybrid capital investors ¹	37,335	-	2.07
Equity holders	179,436	17,998	9.97

¹ See Note 3.12

4.9 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business in connection with the services they provide. The majority of these claims are covered by business-specific insurance. Specifically, the Group contests significant liability demands in the United States, which it considered unjustified. The Group's responsibility has not been proven and the damages that are claimed have been neither established nor measured.

Risk factors are described in the section 6 of the Management report.

Based on the information available to date, the Group considers that the outcome of these disputes and legal claims currently in process is unlikely to have a significant adverse impact on the consolidated financial statements other than those provided for (Note 3.16).

4.10 Related-party transactions

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

The company Analytical Bioventures SCA, which is controlled by the Martin family, owns 36.3% of the Company's shares and 56.5% of its voting rights as of December 31, 2017.

Transactions with affiliates or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's Board of Directors or top management have significant influence such as "International Assets Finance S.à.r.l." are detailed as follows:

EUR Millions	2017	2016
Support management services, provided to the related party	0.3	0.4
Support management services, provided to Eurofins	-	-
Receivables from related party	13.6	12.8
Bank guarantees to related party	0.2	0.2
Payables to related party	1.4	0.2
Rent expenses to related party	24.4	19.8

In 2017, new leases were paid in the USA to new property companies owned by Analytical Bioventures SCA, the holding company of the Martin family, representing an amount of EUR 0.14m.

The aggregate amount of future minimum, non-cancellable (operating) lease commitments payable to related-parties represents an amount of EUR 278m as at December 31, 2017 (EUR 225m in 2016).

Receivables relate to lease deposits.

Compensation of the Board of Directors:

EUR Thousands	2017	2016
Director fees and other short-term fringe benefits	1,789	1,602
Post-employment benefits	-	-
Share-based payments	-	-
Total	1,789	1,602

4.11 Auditor's remuneration

EUR Thousands	2017	2016
Audit of these financial statements	235	220
<i>Amounts receivable by the auditors and their associates in respect of:</i>		
Audit of financial statements of subsidiaries pursuant to legislation	1,569	1,286
Other services pursuant to such legislation	223	95
Total fees payable pursuant to legislation	2,036	1,601
Taxation services	81	37
Transaction advisory	-	-
Other	-	-
Total	2,118	1,638

The Group has external auditors other than PricewaterhouseCoopers in some countries. Their fees are not included in the above table.

4.12 Post-closing events

Change of scope:

In January 2018, Eurofins acquired Food Analytica, a group of food testing laboratories in Hungary. Food Analytica employs 90 staff, operates 4 laboratories in South-Eastern Hungary and generates annual revenues of EUR 3m.

In January 2018, Eurofins acquired Tsing Hua Testing & Analysis Co., Ltd. ("Tsing Hua"), specialized in environment testing in Taiwan. Tsing Hua is headquartered in Hsinchu, with a subsidiary in Taichung and sales offices in four other cities in Taiwan. The company employs around 240 staff and generates annual revenues in excess of EUR 7m in 2017.

In February 2018, Eurofins acquired Labo Van Poucke ("LVP"), a laboratory performing human medical testing covering all branches of clinical biology. LVP was founded in 1969, employs 34 staff and generated revenues close to EUR 5m in 2017.

In February 2018, Eurofins acquired Ingenasa, a developer and manufacturer of diagnostic test kits with a broad range of applications in Veterinary Diagnostics and Food Safety. The company is based in Madrid, Spain and has 51 employees and revenues of EUR 4m in 2017.

In February 2018, Eurofins acquired NMDL-LCPL, a specialized medical testing business providing molecular diagnostics and pathology laboratory services, with a particular strong presence in the Southwestern part of the Netherlands. The company has 22 employees and revenues in excess of EUR 5m in 2017.

The non-controlling interests of LifeCodexx AG have been purchased in January 2018.

Additionally since the beginning of 2018, Eurofins has completed the acquisition of three small German, Irish (City Analysts Ltd.) & US environmental testing laboratories and a product testing in UK.

5. Scope of the Group

5.1 Change in the scope 2017

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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Agroharpes - Eurofins Agrosiences Services S.A.	AR	Eurofins Agrosiences Services LUX Holding SARL	51	08/17 ¹
Eurofins Professional Scientific Services Australia Pty Ltd	AU	Eurofins Australia New Zealand Holding Ltd	100	05/17 ¹
Dandenong South Monterey Road Real Estate Pty Ltd	AU	Eurofins Real Estate LUX Holding SARL	100	05/17 ¹
Eurofins Dermatest Pty Ltd	AU	Eurofins Australia New Zealand Holding Ltd	100	07/17
Eurofins Technologies Australia Pty Ltd	AU	Eurofins Australia New Zealand Holding Ltd	100	08/17 ¹
Eurofins Agrosience Services Belgium NV	BE	Eurofins Environment Testing Belgium Holding NV	100	02/17 ¹
Eurofins Asbest Inspecties België NV	BE	Eurofins Environment Testing Belgium Holding NV	100	08/17 ¹
Eurofins Amatsigroup NV	BE	Amatsigroup SAS	100	09/17
Laboratorio Pasteur de Analises Clinicas Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Clinica Radiologica Dr. Moura Gogliano Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Einstein Imagens Medicas Ltda.	BR	Eurofins Latin American Ventures SL	100	12/17
Alphora Research, Inc.	CA	Eurofins Pharma Services LUX Holding SARL	100	06/17
Eurofins NSC Canada, Inc.	CA	Eurofins Support Services LUX Holding SARL	100	06/17 ¹
Eurofins Professional Scientific Services CH AG	CH	Eurofins Pharma Services LUX Holding SARL	100	03/17 ¹
Eurofins Electrosuisse Product Testing AG	CH	Eurofins Product Testing LUX Holding SARL	100	06/17
Route de Montena Real Estate AG	CH	Eurofins Real Estate LUX Holding SARL	100	06/17
Eurofins Agrosience Services Chile S.A.	CL	Eurofins Agrosiences Services LUX Holding SARL	90	06/17 ¹
Evans Materials Technology Co., Ltd	CN	EAG, Inc.	100	12/17
MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100	07/17
Laborbetriebsgesellschaft Dr. Dirkes-Kersting und Dr. Kirchner mit beschränkter Haftung	DE	MVZ für Laboratoriumsmedizin am Hygiene-Institut GmbH	100	07/17
GATC Biotech AG	DE	MWG Biotech AG	100	07/17
LifeCodexx AG	DE	GATC Biotech AG	100	07/17
Institut Nehring GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	10/17
Institut für Blutgruppenforschung GmbH	DE	Eurofins MWG Holding GmbH	100	10/17
SAM Sensory and Marketing International GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/17
KKG Holding GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/17
EAG Laboratories GmbH	DE	Evans Analytical Group Holdings GmbH	100	12/17
Evans Analytical Group Holdings GmbH	DE	EAG, Inc.	100	12/17
Eurofins WKS Labservice GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	100	12/17
Eurofins Milk Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	01/17 ¹
Eurofins Vitamin Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	01/17 ¹
Aabybro Industrivej Real Estate A/S	DK	Eurofins Real Estate LUX Holding SARL	100	03/17
VBM Laboratoriet A/S	DK	Eurofins Environment Denmark Holding A/S	100	03/17
Eurofins Environment Testing Estonia Holding OÜ	EE	Eurofins Environment Testing LUX Holding SARL	100	04/17
Eurofins Environment Testing Estonia OÜ	EE	Eurofins Environment Testing Estonia Holding OÜ	100	04/17
Eurofins Professional Scientific Services Spain SL	ES	Eurofins Pharma Services LUX Holding SARL	100	01/17 ¹
Laboratorio Prefasi SL	ES	Megalab SA	100	05/17
Laboartorio Medicantabria SL	ES	Megalab SA	100	10/17
Eurofins Villapharma Research SL	ES	Eurofins Pharma Services LUX Holding SARL	100	03/17
Laboratories Virtudes Gomez Navamuel SL	ES	Megalab SA	100	03/17

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Laboratorios de Castilla y Leon Siglo XXI, SL	ES	Megalab SA	100	05/17
Eurofins Textile Testing Spain SL	ES	Eurofins Product Testing Holding Spain SL	100	04/17 ¹
Fuente Alamo de Murcia-El Estrech Real Estate SL	ES	Eurofins Real Estate LUX Holding SARL	100	12/17 ¹
Analclinic SA	ES	Megalab SA	100	11/17
Eurofins Environment Testing Finland Holding Oy	FI	Eurofins Environment Testing LUX Holding SARL	100	01/17 ¹
Eurofins Ahma oy	FI	Eurofins Environment Testing Finland Holding Oy	100	02/17
Eurofins Environment Testing Finland Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	04/17
Nab Labs Group Oy	FI	Eurofins Environment Testing Finland Holding Oy	100	06/17
Eurofins Nab Labs Oy	FI	Nab Labs Group Oy	100	06/17
Eurofins Pathologie SELAS	FR	Histolog SL	100	04/17
Eurofins Labazur llab SELAS	FR	Eurofins Labazur Nice SELAS	100	04/17
GATC Biotech SARL	FR	GATC Biotech AG	100	07/17
Eurofins NDSC Alimentaire France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17 ¹
Eurofins NDSC Chimie Alimentaire France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17 ¹
Eurofins Dev Food Chemistry France 3 SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17 ¹
Eurofins Laboratoire Nutrition Animale France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/17 ¹
Eurofins Dev Food Microbio France 2 SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	08/17 ¹
Eurofins Dev Environnement 1 SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/17 ¹
Eurofins Expertises France Holding SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	09/17 ¹
Amatsigroup SAS	FR	Eurofins Scientific S.E.	100	09/17
Immobiliere Amatsi SAS	FR	Eurofins Scientific S.E.	100	09/17
Disposable Lab SAS	FR	Amatsigroup SAS	100	09/17
Amatsiaquitaine SAS	FR	Amatsigroup SAS	100	09/17
France Anapath Management SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	09/17 ¹
Eurofins NDSC Pollution France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	09/17 ¹
Eurofins Dev France Holding 1 SAS	FR	Eurofins France Holding SAS	100	09/17 ¹
Eurofins Dev France Holding 2 SAS	FR	Eurofins France Holding SAS	100	09/17 ¹
Eurofins NSC Clinical Diagnostics France GIE	FR	Biomnis SELAS	100	11/17 ¹
Eurofins Dev Biopharma France 1 SAS	FR	Eurofins Pharma France Holding SAS	100	10/17 ¹
Eurofins Dev Biopharma France 2 SAS	FR	Eurofins Pharma France Holding SAS	100	10/17 ¹
Eurofins Dev Biopharma France 3 SAS	FR	Eurofins Pharma France Holding SAS	100	10/17 ¹
Evans Analytical Group SAS	FR	EAG, Inc.	100	12/17
Eurofins Technologies Hungary Kft.	HU	Eurofins Technology and Supplies LUX Holding	100	05/17 ¹
Eurofins Food Testing Hungary Holding Kft	HU	Eurofins Food Testing LUX Holding SARL	100	10/17 ¹
Váci 19 OMEGA Kft	HU	Eurofins Real Estate LUX Holding SARL	100	10/17 ¹
Váci 19 ALFa Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17 ¹
Váci 19 Gamma Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17 ¹
Váci 19 Epsilon Kft.	HU	Eurofins Real Estate LUX Holding SARL	100	11/17 ¹
MINERÁG Fejlesztési, Termelési és Kereskedelmi Kft.	HU	Eurofins Food Testing Hungary Holding Kft	100	12/17 ²
Medical Consultants Pathology Holdings Limited	IE	Eurofins Biomnis Ireland Limited	100	01/17
Eurofins MC Pathology Limited	IE	Medical Consultants Pathology Holdings Limited	100	01/17
Environmental Laboratory Services Limited	IE	Eurofins Environment Testing LUX Holding SARL	100	07/17
Eurofins Scientific Services Ireland Limited	IE	Eurofins GSC LUX SARL	100	10/17 ¹
Eurofins Advinus Limited	IN	Eurofins Pharma Services LUX Holding SARL	100	10/17
Spectro Analytical Labs Ltd	IN	Eurofins Environment Testing LUX Holding SARL	60	11/17
Eurofins Genoma Group Srl	IT	Eurofins Clinical Testing Italia Holding Srl	100	07/17
Eurofins Ecopro Research K.K.	JP	Eurofins Food Testing LUX Holding SARL	67	08/17

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Japan Analytical Chemistry Consultants Co., Ltd.	JP	Eurofins Food Testing LUX Holding SARL	100	08/17
Nano Science KK	JP	EAG, Inc.	100	12/17
Saitama Kankyo Service KK	JP	Eurofins Environment Testing LUX Holding SARL	67	12/17 ²
MET Korea, Ltd.	KR	MET Laboratories, Inc	100	12/17
Labtarn a UAB	LT	Eurofins Food Testing LUX Holding SARL	100	11/17
Eurofins Digital Testing International LUX Holding	LU	Eurofins Product Testing LUX Holding SARL	91	05/17 ¹
Equipment Leasing Corporation LUX SARL	LU	Eurofins Scientific S.E.	100	09/17 ¹
Alpha Services LUX SA	LU	Eurofins Scientific S.E.	100	12/17 ¹
Eurofins Asbest Inspecties BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	02/17 ¹
Eurofins Survey Netherlands BV	NL	Eurofins Food Testing Netherlands Holding BV	100	06/17 ¹
Heerenveen Hermes Icarus Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	09/17 ¹
Kingbridge Holding BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	11/17
Sanitas Metingen & Inspecties BV	NL	Kingbridge Holding BV	100	11/17
Sanitas Equipement BV	NL	Kingbridge Holding BV	100	11/17
Sanitas Milieukundig Adviesbureau BV	NL	Kingbridge Holding BV	100	11/17
Sanitas Laboratorium Services BV	NL	Kingbridge Holding BV	100	11/17
Eurofins Environment Testing NZ Ltd	NZ	Eurofins Australia New Zealand Holding Ltd	100	03/17 ¹
Eurofins BioPharma Product Testing NZ Ltd	NZ	Eurofins Australia New Zealand Holding Ltd	100	10/17 ¹
Bucharest Preciziei Real Estate SRL	RO	Eurofins Real Estate LUX Holding SARL	100	03/17 ¹
Eurofins Food Testing Laboratories SRL	RO	Eurofins Food Testing LUX Holdin SARL	100	11/17 ¹
Eurofins Asbestos Testing SRL	RO	Eurofins Industrial Testing LUX SARL	100	12/17 ¹
Eurofins Digital Testing d.o.o. Novi Sad	RS	Eurofins Digital Testing International LUX Holding SARL	91	10/17 ¹
Eurofins Water Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	08/17 ¹
GATC Biotech AB	SE	GATC Biotech AG	100	07/17
Lidköping Sjöhagsgatan Real Estate AB	SE	Eurofins Real Estate LUX Holding SARL	100	12/17
Mejseln 24 AB	SE	Lidköping Sjöhagsgatan Real Estate AB	100	12/17
PharmaControl MQL AB	SE	Eurofins Biopharma Product Testing Sweden AB	100	11/17
Eurofins Mechem Pte Ltd	SG	Eurofins Environment Testing LUX Holding SARL	100	03/17
EAG Laboratories Pte. Ltd	SG	EAG, Inc.	100	12/17
Eurofins Holding za okoljske raziskave d.o.o.	SI	Eurofins Environment Testing LUX Holding SARL	100	06/17 ¹
Velenje nepremičnine d.o.o., poslovanje z nepremičninami	SI	Eurofins Real Estate LUX Holding SARL	100	07/17
Eurofins ERICo Slovenia d.o.o.	SI	Eurofins Holding za okoljske raziskave d.o.o.	100	07/17
Eurofins İstanbul Gıda Kontrol Laboratuvarları A.S.	TR	Eurofins Food Testing LUX Holding SARL	100	03/17
Denet Endüstriyel Hizmetler Anonim Şirket A.S.	TR	Eurofins İstanbul Gıda Kontrol Laboratuvarları A.S.	100	03/17
Eurofins Tüketici Ürünleri Test Hizmetleri A.S.	TR	Eurofins Product Testing LUX Holding SARL	100	08/17 ¹
Eurofins Food Testing Taiwan, Ltd.	TW	Eurofins Food and Environment Testing Holding Taiwan, Ltd.	100	08/17
Evans Taiwan, LLC	TW	Evans Analytical Group, LLC	100	12/17
Eurofins York Limited	UK	Eurofins Product Testing LUX Holding SARL	100	07/17
GATC Biotech Limited	UK	GATC Biotech AG	100	07/17
Discoverx Corporation, Limited	UK	DiscoverX Corporation	100	09/17
Eurofins Forensic Services Limited	UK	Eurofins Forensics LUX Holding SARL	100	10/17
Selcia Holdings Limited	UK	Eurofins Agrosience Services UK Holding Limited	100	12/17
Eurofins Professional Scientific Services UK Limited	UK	Eurofins Pharma Services LUX Holding SARL	100	09/17 ¹
Eurofins Product Testing UK Holding Limited	UK	Eurofins Product Testing LUX Holding SARL	100	12/17 ¹
Selcia Limited	UK	Selcia Holdings Limited	100	12/17

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Ashwood UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	12/17 ²
Eurofins ANA Laboratories, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	07/17
Eurofins Technologies North America, Inc.	US	Eurofins Technology and Supplies LUX Holding SARL	100	05/17 ¹
Eurofins Craft Technologies, Inc.	US	Eurofins Food Testing US Holdings Inc.	100	12/17
Eurofins California Analytics, LLC	US	Eurofins Food Testing US Holdings Inc.	100	06/17 ¹
DiscoverX Corporation	US	Eurofins Pharma US Holdings II Inc.	100	09/17
Abraxis, Inc.	US	Eurofins Technologies US Holdings, Inc.	100	10/17
Eurofins Technologies US Holdings, Inc.	US	Eurofins Technology and Supplies LUX Holding SARL	100	09/17 ¹
Eurofins Product Testing US Holdings, Inc.	US	Eurofins Product Testing LUX Holding SARL	100	09/17 ¹
My Eye Media, LLC	US	Eurofins Product Testing US Holdings, Inc.	100	10/17
EAG, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	12/17
EAG Holdings, Inc.	US	EAG, Inc.	100	12/17
Evans Analytical Group, LLC	US	EAG Holdings, Inc.	100	12/17
Analytical Bio-Chemistry Laboratories, Inc.	US	EAG, Inc.	100	12/17
Lab Facilities Leasing Co, LLC	US	Analytical Bio-Chemistry Laboratories, Inc.	100	12/17 ¹
MET Laboratories, Inc	US	Eurofins Product Testing US Holdings, Inc.	100	12/17
Eurofins Consumer Product Testing Vietnam Co. Ltd.	VN	Eurofins Product Testing LUX Holding SARL	100	08/17 ¹

¹ New Companies incorporated during the period.

² These companies are consolidated from January 1st, 2018 (Note 3.19).

The below companies have been merged/liquidated during the period:

Company	Country ISO Code	% of interest by the Group	Date of exit
Envirocontrol NV	BE	100	01/17
Eurofins Medinet France SAS	FR	100	01/17
Eurofins Ascal Hydrologie SAS	FR	100	05/17
Eurofins Food Management SAS	FR	100	07/17
Ouest Bio Santé SELAS	FR	100	03/17
France Biologie Holding SAS	FR	100	12/17
IS-O2 SAS	FR	100	01/17
AgriQuest Limited (Kenya)	KE	100	01/17
BLGG Agro Xpertus AB	SE	100	04/17
Public Analyst Scientific Services (NI) Limited	UK	100	01/17
Eurofins QCL Holdings, Inc.	US	100	01/17
Eurofins Genomic Clinical Diagnostics US Holdings, Inc.	US	100	01/17
Diatherix LLC	US	100	01/17
EAC Corporation Ltd.	JP	100	07/17
Eurofins BDI-CO, LLC	US	100	07/17
Den Haan Reseach Laboratory For Soil, Water And Vegetation	NL	100	12/17
Eurofins Food Testing Canada Holdings Inc.	CA	100	01/17

5.2 Principal subsidiary undertakings

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

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Scientific S.E.	LU			
Eurofins Lebensmittelanalytik Österreich GmbH	AT	Eurofins Food Testing LUX Holding SARL	100	01/07
Eurofins Genomics AT GmbH	AT	Eurofins Genomics LUX Holding SARL	100	09/11
Eurofins Agroscience Services Austria GmbH	AT	Eurofins Agrosciences Services LUX Holding SARL	100	12/12
Eurofins Environment Testing AT Holding GmbH	AT	Eurofins Environment Testing LUX Holding SARL	100	03/15
Eurofins NUA Umwelt GmbH & Co.KG	AT	Eurofins Environment Testing AT Holding GmbH	100	03/15
Eurofins NUA AT Holding GmbH	AT	Eurofins Environment Testing AT Holding GmbH	100	01/16
Eurofins water&waste GmbH	AT	Eurofins Environment Testing AT Holding GmbH	100	12/15
Wiener Neudorf Palmersstraße Real Estate GmbH	AT	Eurofins Real Estate LUX Holding SARL	100	12/16
Eurofins Environment Testing Australia Pty Ltd.	AU	Eurofins Environment Testing LUX Holding SARL	91	01/13
Eurofins Agroscience Services Pty Ltd.	AU	Eurofins Agrosciences Services LUX Holding SARL	81	07/13
Eurofins Agroscience Testing Pty Ltd.	AU	Eurofins Agroscience Services Pty Ltd.	81	07/13
Eurofins SCEC Pty Ltd.	AU	Eurofins Agrosciences Services France Holding SAS	100	01/16
Eurofins ams Laboratories Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	03/16
Eurofins Australia New Zealand Holding Ltd.	AU	Eurofins Environment Testing France Australia Holding SAS	100	05/16
Eurofins Food Testing Australia Pty Ltd.	AU	Eurofins Australia New Zealand Holding Ltd.	100	07/16
Eurofins GSC Management Services NV	BE	Eurofins Support Services LUX Holding SARL	100	06/01
Eurofins GSC Finance NV	BE	Eurofins Scientific S.E.	100	07/06
Eurofins Belgium NV	BE	Eurofins Environment Testing Belgium Holding NV	100	11/07
Eurofins Food Testing Belgium NV	BE	Eurofins Food Testing LUX Holding SARL	100	10/10
Eurofins Environment Testing Belgium Holding NV	BE	Eurofins Environment Testing LUX Holding SARL	100	09/11
Nazareth Venecoweg Real Estate NV	BE	Eurofins Real Estate LUX Holding SARL	100	09/11
Eurofins Forensics Belgium BVBA	BE	Eurofins Forensics LUX Holding SARL	100	10/11
Eurofins BioPharma Product Testing Belgium NV	BE	Eurofins Pharma Services LUX Holding SARL	100	11/11
Eurofins Agro Testing Belgium NV	BE	Holding BLGG BV	100	07/13
Eurofins Professional Scientific Services Belgium NV	BE	Eurofins Pharma Services LUX Holding SARL	100	06/14
Eurofins GSC Belgium NV	BE	Eurofins International Holdings LUX SARL	100	07/14
Eurofins Digital Testing Belgium Holding NV	BE	Eurofins Digital Testing International LUX Holding SARL	91	04/15
Eurofins Digital Testing Belgium NV	BE	Eurofins Digital Testing Belgium Holding NV	91	04/15
Eurofins GSC Finance & Administration NV	BE	Eurofins Support Services LUX Holding SARL	100	09/16
Eurofins Agroscience Services EOOD	BG	Eurofins Agrosciences Services LUX Holding SARL	100	11/08
Eurofins HOS Testing Bulgaria EOOD	BG	Eurofins Food Testing LUX Holding SARL	100	09/16
Eurofins do Brasil Análises de Alimentos Ltda.	BR	Eurofins Latin American Ventures SL	100	07/03
Innolab do Brasil Ltda.	BR	Eurofins Latin American Ventures SL	100	07/09
Eurofins Agrosciences Services Ltda.	BR	Eurofins Latin American Ventures SL	100	06/12
Laboratório ALAC Ltda.	BR	Eurofins Latin American Ventures SL	100	04/12

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Analytical Technology Serviços Analíticos e Ambientais Ltda.	BR	Innolab do Brasil Ltda.	100	07/14
Integrated Petroleum Expertise Company - Serviços em Petróleo Ltda.	BR	Innolab do Brasil Ltda.	100	09/14
Scientia Laboratórios Ltda.	BR	Eurofins EVIC Product Testing France SAS	100	07/15
Laboratório Sao Lucas Ltda.	BR	Integrated Petroleum Expertise Company - Serviços em Petróleo Ltda.	100	12/16
Eurofins Experchem Laboratories, Inc.	CA	Eurofins Food Testing LUX Holding SARL	100	04/15
Eurofins Environment Testing Canada, Inc.	CA	Eurofins Environment Testing LUX Holding SARL	100	12/16
Quebec St. Bruno Real Estate, Inc.	CA	Eurofins Real Estate LUX Holding SARL	100	12/16
Eurofins Scientific AG	CH	Eurofins Food Testing LUX Holding SARL	100	07/00
Eurofins Regulatory AG	CH	Eurofins Agrosociences Services LUX Holding SARL	100	12/11
Eurofins BioPharma Product Testing Switzerland AG	CH	Eurofins Pharma Services LUX Holding SARL	100	01/13
Openlab Engineering AG	CH	Socamed SAS	100	10/15
Gestion De Calidad Y Laboratorio SA	CL	Eurofins Latin American Ventures SL	100	03/13
GCL Capacita SA	CL	Gestion De Calidad Y Laboratorio SA	100	03/13
Eurofins Product Testing Hong Kong Limited	CN	Eurofins Product Testing LUX Holding SARL	100	03/06
Eurofins Technology Service (Suzhou) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	11/06
Eurofins Product Testing Service (Shanghai) Co., Ltd.	CN	Eurofins Shanghai Holding Limited	90	11/09
Eurofins Testing Technology (Shenzhen) Co., Ltd.	CN	Eurofins Product Testing LUX Holding SARL	100	10/09
Eurofins Shanghai Holding Limited	CN	Eurofins Product Testing LUX Holding SARL	90	08/09
Eurofins Central Laboratory China CO., Ltd	CN	Eurofins Pharma Services LUX Holding SARL	100	05/12
Eurofins Food Testing Hong Kong Limited	CN	Eurofins Food Testing LUX Holding SARL	100	03/12
CEREP Drug Discovery Services Co, Ltd.	CN	Eurofins CEREP SA	96	03/13
Eurofins NSC Shanghai Co., Ltd.	CN	Eurofins Support Services LUX Holding SARL	100	06/14
Eurofins NSC Hong Kong Limited	CN	Eurofins Support Services LUX Holding SARL	100	02/14
Eurofins Food Testing Service (Shanghai) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	05/15
Eurofins Food Testing Service(Dalian)Co.,Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Eurofins Technology Service (Qingdao) Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Eurofins Food Certification Service(Shanghai)Co., Ltd.	CN	Eurofins Food Testing LUX Holding SARL	100	06/16
Eurofins CZ, s.r.o.	CZ	Eurofins Bel/Novamann s.r.o.	100	10/06
Eurofins Food Testing Hamburg Germany Holding GmbH	DE	Eurofins GeneScan Holding GmbH	100	05/98
Eurofins 3. Verwaltungsgesellschaft GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	11/98
Eurofins GeneScan Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	07/03
Eurofins Analytik GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/98
Eurofins Dr. Specht GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	04/05
Eurofins GeneScan GmbH	DE	Eurofins GeneScan Holding GmbH	100	07/03
Eurofins Sofia GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/06
Eurofins GfA GmbH	DE	Eurofins Air Monitoring Germany Holding GmbH	100	01/01
Eurofins Ökometric GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	12/02
Eurofins NDSC Umweltanalytik GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	03/05
Eurofins Umwelt West GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100	04/05

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Umwelt Ost GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	01/06
Eurofins Institut Jäger GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	04/06
Eurofins Medigenomix GmbH	DE	Eurofins Genomics LUX Holding SARL	100	07/01
Eurofins Agrosience Services EcoChem GmbH	DE	Eurofins Agrosience Services Germany Holding GmbH	100	01/06
Eurofins BioPharma Product Testing Munich GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	10/06
Eurofins MWG Holding GmbH	DE	Eurofins Genomics BV	100	01/05
Eurofins Genomics GmbH	DE	MWG Biotech AG	100	01/07
Eurofins Food Testing Pesticides Germany Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/06
Eurofins Dr. Specht Laboratorien GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/07
Eurofins MWG Synthesis GmbH	DE	MWG Biotech AG	100	01/07
Eurofins Food Testing General Chemistry Germany Holding GmbH	DE	Eurofins Laborservices GmbH	100	04/07
Eurofins Institut Dr. Rothe GmbH	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	04/07
Eurofins Product Testing Verwaltungs GmbH	DE	Eurofins Product Service GmbH	100	03/07
Eurofins Environment Testing Germany Holding West GmbH	DE	Eurofins Environment Testing LUX Holding SARL	100	12/07
Eurofins Agrosience Services Germany Holding GmbH	DE	Eurofins Agrosiences Services LUX Holding SARL	100	04/07
Eurofins 1. Verwaltungsgesellschaft mbH	DE	Eurofins Real Estate LUX Holding SARL	100	04/07
Eurofins Umwelt Nord GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	05/07
Eurofins Laborservices GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins NSC IT Infrastructure Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
INLAB GmbH Institut für Lebensmittelmikrobiologie	DE	Eurofins Food Testing General Chemistry Germany Holding GmbH	100	12/07
Eurofins Product Service GmbH	DE	Eurofins Scientific S.E.	100	01/08
Eurofins Information Systems GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/07
Eurofins NSC Finance Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Consumer Product Testing GmbH	DE	Eurofins Product Testing Verwaltungs GmbH	100	01/08
Eurofins Food Testing Germany East Holding GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	01/08
Eurofins Agrosience Services Chem GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	02/08
Eurofins Food Control Services GmbH	DE	Eurofins Food Testing LUX Holding SARL	100	12/08
Eurofins WEJ Contaminants GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins BioTesting Services Nord GmbH	DE	Eurofins GfA Lab Service GmbH	100	12/08
Eurofins 2. Verwaltungsgesellschaft GmbH	DE	Eurofins Real Estate LUX Holding SARL	100	06/08
Eurofins Global Control GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	04/09
Eurofins Institut Dr. Appelt Leipzig GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Rapidust Analysis GmbH	DE	Eurofins Food Testing Pesticides Germany Holding GmbH	100	08/09
Eurofins BioPharma Product Testing Hamburg GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	07/09
Eurofins Food Integrity Control Services GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Eurofins Institut Dr. Appelt Hilter GmbH	DE	Dr. Appelt Beteiligungs GmbH	100	05/09
Dr. Appelt Beteiligungs GmbH	DE	Eurofins Food Testing Germany East Holding GmbH	100	05/09
Eurofins GeneScan Technologies GmbH	DE	Eurofins GeneScan Holding GmbH	100	05/09

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins GfA Lab Service GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	10/10
Eurofins NDSC Food Testing Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	03/11
Eurofins Agroscience Services GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	07/11
Eurofins Facility Management Germany GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	11/11
Eurofins Labor Vogt GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	06/12
Eurofins Medigenomix Forensik GmbH	DE	MWG Biotech AG	100	08/12
Eurofins 7. Verwaltungsgesellschaft mbH	DE	Dr. Appelt Beteiligungs GmbH	100	01/13
Eurofins GSC Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	04/13
Eurofins CLF Specialised Nutrition Testing Services GmbH	DE	Eurofins Special Nutrition Testing LUX Holding SARL	100	08/13
BLGG Deutschland GmbH	DE	Holding BLGG BV	100	07/13
LUA GmbH	DE	BLGG Deutschland GmbH	100	07/13
Eurofins Clinical Genetics Germany GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100	01/14
Eurofins HT-Analytik GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	03/14
Eurofins Hygiene Institut Berg GmbH	DE	Eurofins Environment Testing Germany Holding West GmbH	100	05/14
Eurofins Agraranalytik Deutschland GmbH	DE	Eurofins NDSC Umweltanalytik GmbH	100	12/14
Eurofins BioPharma Services Holding Germany GmbH	DE	MWG Biotech AG	100	03/15
Eurofins Agroscience Services Ecotox GmbH	DE	Eurofins Agroscience Services Germany Holding GmbH	100	08/15
Eurofins Professional Scientific Services Germany GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100	10/15
St. Marien Krankenhaus Lampertheim GmbH	DE	Eurofins Clinical Testing Holding LUX SARL	100	08/16
Eurofins Air Monitoring Germany Holding GmbH	DE	Eurofins Air Monitoring LUX Holding SARL	100	07/16
Eurofins Finance Transactions Germany GmbH	DE	Eurofins Support Services LUX Holding SARL	100	10/16
Eurofins Dr. Specht Express GmbH	DE	Eurofins Food Testing Hamburg Germany Holding GmbH	100	04/16
Eurofins NSC Denmark A/S	DK	Eurofins Support Services LUX Holding SARL	100	12/03
Eurofins Biopharma Product Testing Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100	03/06
Eurofins Product Testing Denmark A/S	DK	Eurofins Product Testing LUX Holding SARL	100	08/08
Eurofins Miljø A/S	DK	Eurofins Environment Denmark Holding A/S	100	06/05
Eurofins Steins Laboratorium A/S	DK	Eurofins Food Denmark Holding A/S	100	07/06
Eurofins Environment Denmark Holding A/S	DK	Eurofins Environment Testing LUX Holding SARL	100	04/07
Eurofins Food Denmark Holding A/S	DK	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Agroscience Services ApS	DK	Eurofins Agrosciences Services LUX Holding SARL	100	04/13
Eurofins Genomics Holding Denmark A/S	DK	Eurofins Genomics LUX Holding SARL	100	11/13
AROS Applied biotechnology A/S	DK	Eurofins Genomics Holding Denmark A/S	100	01/13
Eurofins Miljø Vand A/S	DK	Eurofins Environment Denmark Holding A/S	100	10/13
Eurofins Agro Testing Denmark A/S	DK	Eurofins Food Denmark Holding A/S	100	12/14
Eurofins Miljø Luft A/S	DK	Eurofins Environment Denmark Holding A/S	100	08/14
Eurofins Pharma Holding Denmark A/S	DK	Eurofins Pharma Services LUX Holding SARL	100	08/15
Eurofins Professional Scientific Services Denmark A/S	DK	Eurofins Pharma Holding Denmark A/S	100	08/15
Eurofins Genomics A/S	DK	Eurofins Genomics Holding Denmark A/S	100	12/15
GenoScan A/S	DK	Eurofins Genomics Holding Denmark A/S	100	09/16

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Agroscience Services SL	ES	Eurofins Agrosciences Services LUX Holding SARL	100	01/06
Eurofins BioPharma Product Testing Spain SLU	ES	Eurofins Pharma Services LUX Holding SARL	100	01/07
Eurofins Latin American Ventures SL	ES	Eurofins International Holdings LUX SARL	100	04/09
Eurofins Sica AgriQ SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	07/13
Eurofins Analisis Alimentario Holding Espana SL	ES	Eurofins Food Testing LUX Holding SARL	100	09/13
Eurofins Product Testing Spain SL	ES	Eurofins Product Testing Holding Spain	100	09/13
Eurofins Anàlisis Alimentario SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	05/14
Eurofins Analisis Alimentario Nordeste SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	05/14
Eurofins Agroambiental SA	ES	Eurofins Analisis Alimentario Nordeste SL	90	05/14
Eurofins EVIC Product Testing Spain SL	ES	Eurofins Product Testing Holding Spain SL	100	07/15
Trialcamp SL	ES	Eurofins Agrosciences Services LUX Holding SARL	100	06/15
Laboratori SARRO SL	ES	Bio-Access SAS	100	07/15
Eurofins NSC Spain SL	ES	Eurofins Support Services LUX Holding SARL	100	01/16
Histolog SL	ES	France Anapath Holding SAS	100	01/16
Eurofins NDSC Food Testing Spain SL	ES	Eurofins Analisis Alimentario Holding Espana SL	100	04/16
Eurofins Product Testing Holding Spain SL	ES	Eurofins Product Testing LUX Holding SARL	100	04/16
Megalab SA	ES	Eurofins Clinical Testing Holding LUX SARL	100	09/16
Alfalab International, SL	ES	Megalab SA	100	09/16
Cifuentes Fisioclinic, SL	ES	Megalab SA	100	09/16
Laboratorio Ángel Mendez, SL	ES	Megalab SA	100	09/16
Laboratorio Calbo, SL	ES	Megalab SA	100	09/16
Laboratorio Bernad-Munoz, SL	ES	Megalab SA	100	09/16
Carlos Bosch Millares, SL	ES	Megalab SA	100	09/16
Laboratorio Clinico Sanitario, SL	ES	Megalab SA	100	09/16
Dra. Vicente, SL	ES	Megalab SA	100	09/16
Laboratorios Doctores Cermeno, SL	ES	Megalab SA	100	09/16
Laboratorios Garcia Lopez, S.L	ES	Megalab SA	100	09/16
Laboratorio Pilar Larraz, SL	ES	Megalab SA	99	09/16
Laboratorios Recio, SL	ES	Megalab SA	100	09/16
Laboratorios Surlab, SL	ES	Megalab SA	100	09/16
Megalab Medio Ambiente, SL	ES	Megalab SA	70	09/16
Laboratorio de Analisis Dr. Valenzuela, SL	ES	Megalab SA	100	09/16
Lab. San Andres, SL	ES	Laboratorio de Analisis Dr. Valenzuela, S.L.	100	09/16
Laboratorio Sanchez Castineiras, SL	ES	Laboratorio de Analisis Dr. Valenzuela, S.L.	100	09/16
Eurofins Scientific Finland Oy	FI	Eurofins Food Testing LUX Holding SARL	100	10/07
Eurofins Viljavuusalvelu Oy	FI	Eurofins Food Testing LUX Holding SARL	100	12/12
Eurofins Hygiène Alimentaire France Holding SAS	FR	Eurofins Hygiène Alimentaire France LUX Holding SARL	100	01/99
Eurofins Analytics France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	07/99
Eurofins Biosciences SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/99
Eurofins Certification SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/03

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Laboratoire de Microbiologie de l'Est SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	01/06
Eurofins ATS SAS	FR	Eurofins Product Testing LUX Holding SARL	100	01/99
Eurofins Hydrologie France Holding SAS	FR	Eurofins Hydrologie France LUX Holding SARL	100	07/05
Eurofins Analyses pour l'Environnement France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	07/05
Eurofins Analyses pour le Bâtiment Est SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	01/01
Eurofins Pharma France Holding SAS	FR	Eurofins Pharma Services France LUX Holding SARL	100	06/06
Eurofins Genomics SAS	FR	Eurofins Genomics LUX Holding SARL	100	07/05
IFEG SAS	FR	Eurofins Forensics LUX Holding SARL	75	11/05
Toxlab SAS	FR	Eurofins Forensics LUX Holding SARL	88	02/05
Eurofins ADME Bioanalyses SAS	FR	Eurofins Pharma France Holding SAS	100	10/04
Eurofins Optimed SAS	FR	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Pharma Quality Control SAS	FR	Eurofins Pharma France Holding SAS	100	01/06
Eurofins Agrosience Services France SAS	FR	Eurofins Agrosiences Services France Holding SAS	100	01/06
Eurofins Agrosience Services SAS	FR	Eurofins Agrosiences Services France Holding SAS	100	01/06
Chemtox SAS	FR	Eurofins Forensics LUX Holding SARL	99	01/08
Eurofins Laboratoires de Microbiologie Ouest SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	10/06
Eurofins Cervac Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins NSC Finance France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/06
Eurofins Marketing Research SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	10/06
Eurofins Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	01/01
Eurofins Food Chemistry Testing France Holding SAS	FR	Eurofins Food Chemistry Testing France LUX Holding SARL	100	09/07
Eurofins Optimed Lyon SAS	FR	Eurofins Pharma France Holding SAS	100	09/07
Eurofins NSC IT Infrastructure France SAS	FR	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Hydrologie Centre Est SAS	FR	Eurofins Hydrologie France Holding SAS	100	04/08
Eurofins Laboratoire Centre SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Laboratoire Nord SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins Consulting Agroalimentaire SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	07/10
Eurofins GSC France SAS	FR	Eurofins Support Services LUX Holding SARL	100	07/10
Eurofins NDSC IT solution Food France SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	08/10
Eurofins NDSC Environnement France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	08/10
Eurofins Analyses pour le Batiment France Holding SAS	FR	Eurofins Analyses pour la Construction France LUX Holding SARL	100	08/10
Eurofins Analyses pour le Bâtiment France SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/10
Eurofins Analyses Environnementales pour les Industriels France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	10/10
Eurofins NSC Développement France SAS	FR	Eurofins Support Services LUX Holding SARL	100	10/10
Eurofins France Holding SAS	FR	Eurofins Scientific S.E. (French Branch)	100	12/10
Eurofins Agrosience Services Chem SAS	FR	Eurofins Agrosiences Services France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ile de France SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Nord SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10

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Eurofins Analyses pour le Bâtiment Sud Est SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses pour le Bâtiment Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	12/10
Eurofins Analyses des Matériaux et Combustibles France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins Air à l'Emission France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/10
Eurofins Hydrologie Nord SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins IPL Hydrologie SAS	FR	Eurofins Water Testing LUX SARL	100	11/11
LCAM SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	11/11
Eurofins Hydrologie Ile de France SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins Hydrologie Est SAS	FR	Eurofins Hydrologie France SAS	100	11/11
Eurofins Hydrologie Sud SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/11
Eurofins Asbestos Testing Europe SAS	FR	Eurofins Industrial Testing LUX SARL	100	11/11
Eurofins Laboratoire Contaminants Sud SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Laboratoire de Pathologie Végétale SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	100	12/11
Eurofins Hydrologie Ouest SAS	FR	Eurofins Hydrologie France Holding SAS	100	02/12
Eurofins DSC Forensics SAS	FR	Eurofins Forensics LUX Holding SARL	100	02/12
Eurofins Analyses de l'Air Paris SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	02/12
Eurofins Analyses d'Amiante Paris SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	02/12
Eurofins Expertises Environnementales SAS	FR	Eurofins Hydrologie France Holding SAS	100	04/12
Eurofins NDSC Environnement France Holding SAS	FR	Eurofins Environment Testing LUX Holding SARL	100	05/12
Eurofins NDSCE Support France SAS	FR	Eurofins NDSC Environnement France Holding SAS	100	01/12
Eurofins Agrosociences Services France Holding SAS	FR	Eurofins Agrosociences Services LUX Holding SARL	100	12/12
Eurofins GSC CADET SAS	FR	Eurofins Support Services LUX Holding SARL	100	11/12
Eurofins Environnement Logistique France SAS	FR	Eurofins Analyses Environnementales pour les Industriels France SAS	100	12/12
Eurofins Pharma Products Testing France Management SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
Eurofins Pharma Products Engineering SAS	FR	Eurofins Pharma France Holding SAS	100	12/12
EVGS SAS	FR	Eurofins Food Chemistry Testing France Holding SAS	51	12/12
Eurofins CEREP SA	FR	Eurofins Discovery Services LUX Holding SARL	96	03/13
Mitox Fopse EURL	FR	MITOX Trial Management BV	100	07/13
Eurofins Analyses pour le Bâtiment Sud-Ouest SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	09/13
Eurofins IDmyk SAS	FR	Eurofins Pharma France Holding SAS	100	01/14
Eurofins Prélèvement pour le Bâtiment France Holding SAS	FR	Eurofins Analyses pour l'Environnement France LUX Holding SARL	100	08/14
Eurofins Prélèvement pour le Bâtiment Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins Prélèvement pour le Bâtiment France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	10/14
Eurofins Prélèvement pour le Bâtiment Ouest SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	10/14
Eurofins NSC HR France SAS	FR	Eurofins Support Services LUX Holding SARL	100	07/14
Eurofins Analyses pour le Bâtiment Sud SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	08/14
Eurofins Prélèvement pour le Bâtiment Nord SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Prélèvement pour le Bâtiment Sud-Est SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins Prélèvement pour le Bâtiment Île-de-France SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	09/14
Eurofins NDSC Hydrologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/14
Eurofins Laboratoire de Microbiologie Bretagne SAS	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	12/14
SCI Vennecy Les Esses Galerne	FR	Eurofins Real Estate LUX Holding SARL	100	11/14
Eagle Ventures SAS	FR	Eurofins International Holdings LUX SARL	100	12/14
Eurofins Product Testing France Holding SAS	FR	Eurofins Product Testing LUX Holding SARL	100	12/14
Eurofins Cebat SAS	FR	Eurofins Analyses pour le Batiment France Holding SAS	100	04/15
Eurofins EVIC Product Testing France SAS	FR	Eurofins Product Testing France Holding SAS	100	07/15
Eurofins Technologies France SAS	FR	Eurofins Technology and Supplies LUX Holding SARL	100	07/15
France Biologie de Spécialité Holding SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	06/15
Eurofins Environment Testing France Australia Holding SAS	FR	Eurofins Environment Testing LUX Holding SARL	100	06/15
Bio-Access SAS	FR	France Biologie Holding SAS	100	07/15
Eurofins Labazur Provence SELAS	FR	Laboratori SARRO SL	100	07/15
Eurofins Labazur Guyane SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur Nice SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur Rhone-Alpes SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur Bretagne SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur Armorique SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur ASV SELAS	FR	Eurofins Labazur Provence SELAS	100	07/15
Eurofins Labazur Cornouaille SELAS	FR	Eurofins Labazur Bretagne SELAS	100	07/15
France Anapath Holding SAS	FR	Eurofins Clinical Testing Services France LUX Holding SARL	100	07/15
Bio-Access Services GIE	FR	Bio-Access SAS	100	07/15
Eurofins Analyses pour l'Agronomie SAS	FR	Eurofins Food Chemistry Testing France LUX Holding SARL	100	12/15
Eurofins Hydrologie Sud Ouest SAS	FR	Eurofins Hydrologie France Holding SAS	100	11/15
Biomnis Empreintes Genetiques SAS	FR	Eurofins Forensics LUX Holding SARL	100	10/15
Eurofins Hydrobiologie France SAS	FR	Eurofins Hydrologie France Holding SAS	100	10/15
Eurofins Prélèvement pour le Bâtiment Sud-Ouest SAS	FR	Eurofins Prélèvement pour le Bâtiment France Holding SAS	100	10/15
Eurofins Biomnis Holding SAS	FR	France Biologie de Spécialité Holding SAS	100	10/15
Eurofins Biologie Spécialisée SAS	FR	Eurofins Biomnis Holding SAS	100	10/15
Socamed SAS	FR	Eurofins Biologie Spécialisée SAS	100	10/15
Eurofins Biomnis Sample Library SAS	FR	Socamed SAS	100	10/15
Openlab France SARL	FR	Socamed SAS	100	10/15
SCI du Val d'Ouest	FR	Eurofins Real Estate LUX Holding SARL	100	10/15
Eurofins Biomnis SELAS	FR	Eurofins Biomnis Ireland Limited	100	10/15
Eurofins Laboratoire des Pyramides SELAS	FR	Biomnis SELAS	72	10/15
Eurofins CBM69 SELAS	FR	Biomnis SELAS	100	10/15
Eurofins CEF SELAS	FR	Biomnis SELAS	100	10/15
Eurofins Biooffice SELAS	FR	Eurofins CEF SELAS	100	10/15
Biosphere GIE	FR	Biomnis SELAS	100	10/15

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Biotech Germane SAS	FR	Eurofins Hydrologie France Holding SAS	100	01/16
Phyliae SAS	FR	Eurofins Agrosciences Services France Holding SAS	100	11/15
SCI Illkirch Gruninger	FR	Eurofins Support Services LUX Holding SARL	100	12/15
AgroAnalyses	FR	Eurofins Hygiène Alimentaire France Holding SAS	100	05/16
Eurofins LCDI SAS	FR	Eurofins Hydrologie France Holding SAS	100	07/16
SCI Lentilly Aqueduc	FR	Eurofins Real Estate LUX Holding SARL	100	11/16
Aquila (Gigco) Ltd.	GI	Eurofins Environment Testing LUX Holding SARL	100	12/12
Eurofins Agroscience Services Kft	HU	Eurofins Agrosciences Services LUX Holding SARL	100	09/07
Eurofins Elelmiszér Analízis Magyarország Kft	HU	Eurofins Food Testing LUX Holding SARL	100	08/16
Eurofins Scientific (Ireland) Limited	IE	Eurofins GSC LUX SARL	100	05/03
Eurofins Food Testing Ireland Limited	IE	Eurofins Food Testing LUX Holding SARL	100	04/09
Eurofins Pharma Ireland Holding Limited	IE	Eurofins Pharma Services LUX Holding SARL	100	02/11
Eurofins BioPharma Product Testing Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100	04/11
Eurofins Cork Limited	IE	Eurofins Food Testing LUX Holding SARL	100	10/15
Clogherane Real Estate Investment Limited	IE	Eurofins Real Estate LUX Holding SARL	100	11/15
Eurofins Biomnis Ireland Limited	IE	Socamed SAS	100	10/15
Eurofins Lablink Limited	IE	Eurofins Biomnis Ireland Limited	100	10/15
Eurofins Professional Scientific Services Ireland Limited	IE	Eurofins Pharma Ireland Holding Limited	100	07/16
Eurofins Genomics India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	01/05
Eurofins Analytical Services India Pvt Ltd.	IN	Eurofins Food Testing LUX Holding SARL	100	05/09
Eurofins Pharma Services India Pvt Ltd.	IN	Eurofins Pharma Services LUX Holding SARL	100	01/11
Eurofins IT Solutions India Pvt Ltd.	IN	Eurofins Support Services LUX Holding SARL	100	02/12
Eurofins Resources India Pvt Ltd.	IN	Eurofins International Holdings LUX SARL	100	03/12
Eurofins AgroScience Services Ltd.	IN	Eurofins Agrosciences Services LUX Holding SARL	100	10/13
Eurofins Clinical Genetics India Pvt Ltd.	IN	Eurofins Genomics LUX Holding SARL	100	12/15
Eurofins Product Testing India Pvt Ltd.	IN	Eurofins Product Testing LUX Holding SARL	100	10/16
Eurofins Agroscience Services Srl	IT	Eurofins Agrosciences Services LUX Holding SARL	100	02/04
Eurofins Food & Feed Testing Italia Holding Srl	IT	Eurofins Food Testing LUX Holding SARL	100	07/06
Eurofins Chemical Control Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	09/06
Eurofins Biolab Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	01/07
Eurofins Qualis Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	06/07
Eurofins Environment Testing Italy Srl	IT	Eurofins Environment Testing LUX Holding SARL	100	06/08
Eurofins Product Testing Italy Srl	IT	Eurofins Product Testing Italia Holding Srl	100	10/08
Eurofins NSC Italia Srl	IT	Eurofins Support Services LUX Holding SARL	100	01/12
Eurofins Product Testing Italia Holding Srl	IT	Eurofins Product Testing LUX Holding SARL	100	10/12
Eurofins Clinical Testing Italia Holding Srl	IT	Eurofins Clinical Testing Holding LUX SARL	100	10/12
Eurofins Genomics Srl	IT	Eurofins Genomics LUX Holding SARL	100	09/12
Eurofins Pivetti Srl	IT	Eurofins Food & Feed Testing Italia Holding Srl	100	11/12
Eurofins Pharma Services Italia Holding Srl	IT	Eurofins Pharma Services LUX Holding SARL	100	01/13
Eurofins Modulo Uno Srl	IT	Eurofins Product Testing Italia Holding Srl	100	07/12

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
CTP Laboratories Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	01/13
Padova Via Austria Real Estate Invest Srl	IT	Eurofins Real Estate LUX Holding SARL	100	04/14
Torino Via Cuornè Real Estate Invest Srl	IT	Eurofins Real Estate LUX Holding SARL	100	03/15
Kalibios Srl	IT	Eurofins EVIC Product Testing France SAS	100	07/15
Eurofins Consulting Italy Srl	IT	Eurofins Consulting Italia Holding Srl	100	09/15
Tecna Srl	IT	Eurofins Technology and Supplies LUX Holding SARL	100	06/16
Eurofins Professional Scientific Services Italy Srl	IT	Eurofins Pharma Services Italia Holding Srl	100	12/16
Eurofins NSC Japan KK	JP	Eurofins Support Services LUX Holding SARL	100	03/06
Eurofins Genomics KK	JP	Eurofins Genomics LUX Holding SARL	100	12/07
Eurofins Food and Product Testing Japan KK	JP	Eurofins Food Testing LUX Holding SARL	100	01/09
Eurofins DNA Synthesis KK	JP	Eurofins Genomics LUX Holding SARL	66	07/11
Eurofins Nihon Kankyo KK	JP	Eurofins Environment Testing LUX Holding SARL	100	04/12
Eurofins Nihon Soken KK	JP	Eurofins Environment Testing LUX Holding SARL	100	07/15
Eurofins Kankyo Sogo Kenkyu Kiko KK	JP	Eurofins Nihon Soken KK	79	07/15
Eurofins Clinical Genetics KK	JP	Eurofins Genomics KK	100	12/15
Eurofins NDSC Food and Environment Testing Japan KK	JP	Eurofins Nihon Kankyo KK	100	04/16
Eurofins Food Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Environment Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins Pharma Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	12/06
Eurofins GSC LUX SARL	LU	Eurofins International Holdings LUX SARL	100	10/06
Eurofins Agrosiences Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/07
Eurofins Product Testing LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	04/08
Eurofins Real Estate LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	05/10
Eurofins Genomics LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	07/10
Eurofins Forensics LUX Holding SARL	LU	Eurofins France Holding SAS	100	07/10
Eurofins Industrial Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	09/10
Eurofins International Holdings LUX SARL	LU	Eurofins Scientific S.E.	100	12/10
Eurofins Water Testing LUX SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	10/11
Eurofins Pharma Services France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Food Chemistry Testing France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Hygiène Alimentaire France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour la Construction France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Analyses pour l'Environnement France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Analyses Environnementales pour les Industriels France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Hydrologie France LUX Holding SARL	LU	Eurofins France Holding SAS	100	12/11
Eurofins Discovery Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	11/12
Eurofins International Support Services LUX SARL	LU	Eurofins Scientific S.E.	100	11/12
Eurofins Special Nutrition Testing LUX Holding SARL	LU	Eurofins Food Testing LUX Holding SARL	100	12/12

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Clinical Testing Holding LUX SARL	LU	Eurofins International Holdings LUX SARL	100	11/14
Eurofins Clinical Testing Services France LUX Holding SARL	LU	Eurofins Scientific S.E. (French Branch)	100	05/15
Eurofins Air Monitoring LUX Holding SARL	LU	Eurofins Environment Testing LUX Holding SARL	100	02/16
Eurofins Support Services LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	04/16
Eurofins Technology and Supplies LUX Holding SARL	LU	Eurofins International Holdings LUX SARL	100	05/16
AgriQ Maroc S.A.R.L.	MA	Eurofins Sica AgriQ SL	100	07/13
Eurofins NM Laboratory Sdn Bhd	MY	Eurofins Environment Testing LUX Holding SARL	75	11/15
Eurofins North Malaya Laboratory Sdn Bhd	MY	Eurofins Environment Testing LUX Holding SARL	75	11/15
Eurofins Environment Testing Netherlands Holding BV	NL	Eurofins Environment Testing LUX Holding SARL	100	04/01
Eurofins Food Testing Netherlands BV	NL	Eurofins Food Testing Netherlands Holding BV	100	10/00
Eurofins Analytico BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/01
Pro Monitoring BV	NL	Eurofins Environment Testing Netherlands Holding BV	80	10/04
Eurofins Central Laboratory BV	NL	Eurofins Pharma Services LUX Holding SARL	100	04/01
Eurofins Genomics BV	NL	Eurofins Scientific S.E.	100	06/06
C-Mark BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/11
Eurofins NSC Netherlands BV	NL	Eurofins Support Services LUX Holding SARL	100	05/11
Eurofins Food Testing Netherlands Holding BV	NL	Eurofins Food Testing LUX Holding SARL	100	05/11
Eurofins Food Testing Rotterdam BV	NL	Eurofins Food Testing Netherlands Holding BV	100	03/12
Zandbergsestraat Graauw RE Invest BV	NL	Eurofins Real Estate LUX Holding SARL	100	01/13
Eurofins Lab Zeeuws-Vlaanderen (LZV) BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/13
Eurofins OSO Benelux BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	04/13
MITOX Trial Management BV	NL	Eurofins Agroservices Services LUX Holding SARL	100	07/13
Eurofins Agro Testing Benelux Holding BV	NL	Eurofins Food Testing Netherlands Holding BV	100	07/13
AgriQ Group BV	NL	Eurofins Agro Testing Benelux Holding BV	100	07/13
Holding BLGG BV	NL	Eurofins Agro Testing Benelux Holding BV	100	07/13
Eurofins Agro Testing Wageningen BV	NL	Holding BLGG BV	100	07/13
Eurofins KBBL BV	NL	Eurofins Food Testing Netherlands Holding BV	100	01/14
Eurofins Food Safety Solutions BV	NL	Eurofins Food Testing Netherlands Holding BV	100	02/14
Eurofins Omegam BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	01/14
Duivendrecht Real Estate Invest BV	NL	Eurofins Real Estate LUX Holding SARL	100	07/14
Eurofins Professional Scientific Services Netherlands BV	NL	Eurofins Pharma Services LUX Holding SARL	100	09/14
Eurofins NDSC Environment Testing Benelux BV	NL	Eurofins Environment Testing Netherlands Holding BV	100	09/14
Heerenveen Leeuwarderstraatweg Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	03/15
Eagle Ventures Netherlands BV	NL	Eurofins International Holdings LUX SARL	100	08/15
Proefbedrijf Gewasbescherming De Bredelaar BV	NL	Eurofins Agroservices Services LUX Holding SARL	100	07/15
Nieuw Biesterveld BV	NL	Eurofins Real Estate LUX Holding SARL	100	07/15
Eurofins BioPharma Product Testing Netherlands Holding BV	NL	Eurofins Pharma Services LUX Holding SARL	100	01/16
Eurofins Bactimm BV	NL	Sinensis Life Sciences BV	100	01/16
Eurofins Prolepha Labs BV	NL	Sinensis Life Sciences BV	100	01/16

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins PROXY Laboratories BV	NL	Sinensis Life Sciences BV	100	01/16
Spinnovation Holding BV	NL	Sinensis Life Sciences BV	60	01/16
Eurofins Spinnovation Analytical BV	NL	Spinnovation Holding BV	60	01/16
Bureau de Wit BV	NL	Eurofins Food Testing Netherlands Holding BV	100	06/16
Barneveld Gildeweg Real Estate BV	NL	Eurofins Real Estate LUX Holding SARL	100	08/16
Eurofins Environment Testing Norway AS	NO	Eurofins Environment Testing Norway Holding AS	100	05/06
Eurofins Environment Testing Norway Holding AS	NO	Eurofins Environment Testing LUX Holding SARL	100	09/07
Eurofins Food & Feed Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100	09/07
Eurofins Food Testing Norway Holding AS	NO	Eurofins Food Testing LUX Holding SARL	100	08/07
Eurofins Norge NSC AS	NO	Eurofins Support Services LUX Holding SARL	100	12/07
Eurofins Agro Testing Norway AS	NO	Eurofins Food Testing Norway Holding AS	100	08/14
Moss Property Invest AS	NO	Eurofins Real Estate LUX Holding SARL	100	08/14
Eurofins Radonlab	NO	Eurofins Environment Testing Norway Holding AS	100	12/15
Penrose NZ Limited	NZ	Eurofins Real Estate LUX Holding SARL	100	04/12
Eurofins NZ Laboratory Services Limited	NZ	Eurofins Food Testing LUX Holding SARL	100	06/12
Eurofins ELS Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	11/12
Eurofins Agrosience Services NZ Limited	NZ	Eurofins Agrosience Services Pty Ltd.	81	07/13
Eurofins Agrosience Testing NZ Limited	NZ	Eurofins Agrosience Testing Pty Ltd.	81	07/13
Eurofins Bay Of Plenty Limited	NZ	Eurofins Australia New Zealand Holding Ltd.	100	06/16
Eurofins Agrosience Services Sp. z.o.o.	PL	Eurofins Agrosiences Services LUX Holding SARL	100	01/06
Eurofins Polska Sp. z.o.o.	PL	Eurofins Food Testing LUX Holding SARL	100	07/06
Eurofins Environment Testing Polska Sp. z.o.o.	PL	Eurofins Industrial Testing LUX SARL	100	07/15
Eurofins GSC Poland Sp. z.o.o.	PL	Eurofins International Holdings LUX SARL	100	02/16
Eurofins Digital Testing Polska Sp. z.o.o.	PL	Eurofins Digital Testing Belgium Holding	91	06/16
Eurofins Environment Services Polska Sp z o. o.	PL	Eurofins Environment Testing LUX Holding SARL	100	12/16
Eurofins Lab Environment Testing Portugal, Unipessoal Lda.	PT	Eurofins Industrial Testing LUX SARL	100	06/15
Eurofins Agrosience Services srl	RO	Eurofins Agrosiences Services LUX Holding SARL	100	08/09
Eurofins Evic Product Testing Romania srl	RO	Eurofins Product Testing LUX Holding SARL	100	07/15
Eurofins Food Testing srl	RO	Eurofins Food Testing LUX Holding SARL	100	11/16
Eurofins NDSC South Eastern Europe srl	RO	Eurofins Support Services LUX Holding SARL	100	11/16
Eurofins Agro Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	01/04
Eurofins Steins Laboratorium AB	SE	Eurofins Food Testing Sweden Holding AB	100	07/06
Eurofins Food Testing Sweden Holding AB	SE	Eurofins Food Testing LUX Holding SARL	100	09/07
Eurofins Environment Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	10/07
Eurofins Environment Testing Sweden Holding AB	SE	Eurofins Environment Testing LUX Holding SARL	100	09/07
Eurofins Food & Feed Testing Sweden AB	SE	Eurofins Food Testing Sweden Holding AB	100	10/07
Eurofins NSC Sweden AB	SE	Eurofins Support Services LUX Holding SARL	100	01/08
Eurofins Biopharma Product Testing Sweden AB	SE	Eurofins Pharma Services LUX Holding SARL	100	04/11
Eurofins Pegasuslab AB	SE	Eurofins Environment Testing Sweden Holding AB	100	06/12
Uppsala Property Invest AB	SE	Eurofins Real Estate LUX Holding SARL	100	03/14

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Digital Testing Sweden AB	SE	Eurofins Digital Testing International LUX Holding SARM	91	07/16
Eurofins Radon Testing Sweden AB	SE	Eurofins Environment Testing Sweden Holding AB	100	09/16
Eurofins Central Laboratory PTE. Ltd.	SG	Eurofins Pharma Services LUX Holding SARM	100	12/06
Eurofins Technologies Singapore Pte Ltd.	SG	Eurofins Technology and Supplies LUX Holding SARM	100	12/15
Eurofins Bel/Novamann s.r.o.	SK	Eurofins Food Testing LUX Holding SARM	100	10/07
Eurofins NSC Central and Eastern Europe s.r.o.	SK	Eurofins Support Services LUX Holding SARM	100	06/15
Nové Zámky Komjatická Real Estate s.r.o.	SK	Eurofins Real Estate LUX Holding SARM	100	10/16
Eurofins Product Service (Thailand) Co., Ltd.	TH	Eurofins Product Testing LUX Holding SARM	100	07/08
Eurofins Agrosience Services Thailand Co. Ltd.	TH	Eurofins Agrosiences Services LUX Holding SARM	100	05/16
Eurofins Turkey Analiz Hizmetleri Limited Şirketi	TR	Eurofins Food Testing LUX Holding SARM	100	05/12
Eurofins Panlabs Taiwan Ltd	TW	Eurofins Discovery Services LUX Holding SARM	100	10/12
Eurofins Food and Environment Testing Holding Taiwan, Ltd.	TW	Eurofins Food Testing LUX Holding SARM	100	03/15
Pharmacology Discovery Services Taiwan, Ltd.	TW	Eurofins Discovery Services LUX Holding SARM	100	08/16
Eurofins Panlabs Discovery Services Taiwan, Ltd.	TW	Eurofins Discovery Services LUX Holding SARM	100	08/16
Eurofins Agro Testing Ukraine LLC	UA	Eurofins Food Testing LUX Holding SARM	100	08/14
Eurofins NSC UK & Ireland Limited	UK	Eurofins Support Services LUX Holding SARM	100	01/06
Eurofins Food Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	01/04
Eurofins Genetic Services Limited	UK	Eurofins Genomics LUX Holding SARM	100	07/05
Water Utility Testing Services Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/06
Eurofins Food Testing UK Holding Limited	UK	Eurofins Food Testing LUX Holding SARM	100	04/07
Eurofins Agrosience Services Limited	UK	Eurofins Agrosiences Services LUX Holding SARM	100	04/07
Eurofins Product Testing Services Limited	UK	Eurofins Product Testing LUX Holding SARM	100	10/10
Public Analyst Scientific Services Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/11
Wolverhampton i54 Real Estate Limited	UK	Eurofins Real Estate LUX Holding SARM	100	07/12
Eurofins Agrosience Services Chem Limited	UK	Eurofins Agrosiences Services LUX Holding SARM	100	12/12
Eurofins Newtec Laboratories Limited	UK	Eurofins Food Testing UK Holding Limited	100	07/13
Eurofins Pharma Bioanalysis Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARM	100	09/13
Eurofins Pharma Discovery Services UK Limited	UK	Eurofins Discovery Services LUX Holding SARM	100	09/13
Eurofins Digital Product Testing UK Limited	UK	Eurofins Digital Testing International LUX Holding SARM	100	11/14
Eurofins Water Hygiene Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	10/15
Eurofins Biomnis UK Limited	UK	Socamed SAS	100	10/15
Eurofins Agro Testing UK Limited	UK	Eurofins Food Testing UK Holding Limited	100	03/16
Eurofins Biopharma Product Testing UK Limited	UK	Eurofins Food Testing LUX Holding SARM	100	07/16
NDSM Limited	UK	Eurofins Agrosience Services UK Holding Limited	100	07/16
Eurofins Agrosience Services UK Holding Limited	UK	Eurofins Agrosiences Services LUX Holding SARM	100	07/16
Livingston Cochrane Square Real Estate Limited	UK	Eurofins Real Estate LUX Holding SARM	100	08/16
ILS Limited	UK	Eurofins Food Testing UK Holding Limited	100	10/16
Eurofins Food Safety Solutions Limited	UK	Eurofins Food Testing UK Holding Limited	100	11/16
Eurofins Scientific Inc.	US	Eurofins Food Testing US Holdings Inc.	100	01/92
Eurofins Central Laboratory LLC	US	Eurofins Lancaster Laboratories Inc.	100	06/06

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Eurofins Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	04/07
Eurofins Genomics LLC	US	Eurofins Genomics LLC	100	12/07
Eurofins Genomics Holding LLC	US	Eurofins Viracor, Inc.	100	10/07
Eurofins Food Testing US Holdings Inc.	US	Eurofins Food Testing LUX Holding SARL	100	04/07
Eurofins Agroscience Services Inc.	US	Eurofins Agrosciences Services LUX Holding SARL	100	01/07
Eurofins Microbiology Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	06/09
Eurofins NSC US Inc.	US	Eurofins Support Services LUX Holding SARL	100	10/10
Eurofins Pharma US Holdings II Inc.	US	Eurofins Pharma Services LUX Holding SARL	100	01/11
Eurofins Lancaster Laboratories Inc.	US	Eurofins Pharma US Holdings II Inc.	100	04/11
Eurofins DQCI LLC	US	Eurofins Food Testing US Holdings Inc.	100	10/11
Eurofins Environment Testing US Holdings Inc.	US	Eurofins Environment Testing LUX Holding SARL	100	11/12
Eurofins Air Toxics, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	01/12
Eurofins QTA Inc.	US	Eurofins Food Testing US Holdings Inc.	100	02/12
Eurofins Eaton Analytical Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	07/12
Eurofins Frontier Global Sciences Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	09/12
Eurofins Panlabs Inc.	US	Eurofins Pharma US Holdings II Inc.	100	10/12
Eurofins Lancaster Laboratories Environmental LLC	US	Eurofins Lancaster Laboratories Inc.	100	01/13
Eurofins Pharma BioAnalytics Services US, Inc.	US	Eurofins Discovery Services LUX Holding SARL	100	01/13
South Bend Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	05/14
Eurofins Calscience, Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	05/14
Eurofins Viracor, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	07/14
Eurofins SF Analytical Laboratories Inc.	US	Eurofins Food Testing US Holdings Inc.	100	11/14
Eurofins Clinical Testing US Holdings, Inc.	US	Eurofins Clinical Testing Holding LUX SARL	100	11/14
Boston Heart Diagnostics Inc.	US	Eurofins Clinical Testing US Holdings, Inc.	100	01/15
Eurofins Lancaster Laboratories Professional Scientific Services LLC	US	Eurofins Lancaster Laboratories Inc.	100	02/15
Eurofins Product Testing US Inc.	US	Eurofins Product Testing LUX Holding SARL	100	02/15
Eurofins BioDiagnostics Inc.	US	Eurofins Food Testing US Holdings Inc.	100	02/15
Eurofins QC Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	04/15
Diatherix Laboratories, LLC	US	Diatherix LLC	100	05/15
EGL Genetic Diagnostics LLC	US	Eurofins Viracor, Inc.	88	06/15
Eurofins Spectrum Analytical Inc.	US	Eurofins Environment Testing US Holdings Inc.	100	07/15
Eurofins Clinical Molecular Testing Services Inc.	US	Eurofins Viracor, Inc.	100	09/15
Pomona 900 Corporate Drive Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	01/16
Eurofins NTD, LLC	US	Eurofins Viracor, Inc.	100	04/16
Advantar Laboratories, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	04/16
North Kingstown (R.I.) Camp Avenue Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	05/16
Eurofins VRL, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	09/16
DeSoto Falcon Drive Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	09/16
Lafayette Horizon Avenue Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	09/16
Eurofins Clinical Diagnostic US NDSC, Inc.	US	Eurofins Pharma US Holdings II Inc.	100	09/16
Eurofins VRL Los Angeles, LLC	US	Eurofins VRL, Inc.	100	11/16

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Agawam Silver Street Real Estate Inc.	US	Eurofins Real Estate LUX Holding SARL	100	11/16
New Berlin 170th Street Real Estate, Inc.	US	Eurofins Real Estate LUX Holding SARL	100	11/16
Eurofins Sac Ky Hai Dang Company Limited	VN	Eurofins Food Testing LUX Holding SARL	100	05/15

* 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 ISO Code	Subsidiary of :	% of ownership	Method of consolidation
Z.F.D. GmbH	DE	Ökometric GmbH	33	Equity method
Fasmac Co. Ltd.	JP	Eurofins Genomics LUX Holding SARL	41	Equity method
Eurofins Laboratoire Coeur de France SAEML	FR	Eurofins Hygiène Alimentaire France Holding SAS	49	Equity method

There are no quoted prices available for the companies consolidated by equity method due to their small size (in annual revenues and assets). These three companies are not considered to be material (see Note 3.4).



2 Auditor's Report on Eurofins Scientific SE's Consolidated Financial Statements

Audit report

To the Shareholders of
Eurofins Scientific SE

Report on the audit of the Consolidated Financial Statements

Our opinion

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the consolidated statement of financial position of Eurofins Scientific SE (the "Company") and its subsidiaries (together the "Group") as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our opinion is consistent with our additional report to the Company's Audit Committee.

What we have audited

The Group's Consolidated Financial Statements comprise:

- the Consolidated Balance Sheet as at 31 December 2017;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the Consolidated Financial Statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014 (the "Regulation"), the Law of 23 July 2016 on the audit profession (the "Law") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and ISAs are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation.

The non-audit services that we have provided to the Group, in the period from 1 January 2017 to 31 December 2017, are disclosed in the Note 4.11 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Business combinations</i></p> <p>The Group acquired more than 50 companies in 2017 for a total consideration of 1,466MEUR, including amounts payable for these transactions and deferred consideration. All these acquisitions qualify as business combinations under IFRS 3 "Business Combination".</p> <p>Management determined that the aggregated fair value of the net identifiable assets acquired is 518MEUR of which 411MEUR relating to intangible assets, such as customer relationships and brands. The valuation of the intangible assets was performed as part of the Purchase Price Allocation which has been provisionally determined pending final completion of the valuation exercise within the 12-month window as permitted by IFRS 3.</p>	<p>For material acquisitions we assessed the existence, completeness and valuation of the identifiable assets acquired and liabilities assumed at the acquisition date by analysing the clauses laid out in Share or Assets Purchase Agreements. We also evaluated management's process for determining the fair value of the net identifiable assets acquired by performing the following procedures:</p> <ul style="list-style-type: none">• We used our own valuation specialists to independently assess the models and assumptions, such as discount rate, royalty rate, attrition rate, projection period, etc. used by management in valuing intangible assets;• We assessed the estimated useful life of the intangible assets acquired (other than goodwill);• We evaluated the independence, objectivity and competence of the valuation experts that management uses from time to time to assist them in the valuation process;• We assessed the adequacy of the disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the Key audit matter
<p>As described in the note 1.5 to the consolidated financial statements, customer relationships are valued under the discounted cash flow method reflecting the characteristics of this asset. The value is derived from revenue that customers are expected to generate, using an annual percentage of attrition and after deduction of the contributory assets charges (remuneration of the fixed assets, working capital, workforce and brands). Customer relationships are amortised over their estimated useful lives.</p> <p>Due to the large number of acquisitions and the sometimes limited availability of information of acquired companies, the identification and valuation of the acquired assets and liabilities require significant judgement and estimates from management.</p> <p>Significant judgements and estimates are also required to assess amounts due from acquisitions as these amounts may depend on future results of the acquired companies.</p> <p>This matter was of particular significance to our audit as the accounting for business combinations, in particular the related valuation of intangibles acquired, involve significant judgement and estimates.</p>	
<p><i>Impairment of goodwill</i></p>	
<p>The Group's consolidated balance sheet includes 2,505MEUR of goodwill representing 43% of the Group's total assets as at 31 December 2017.</p> <p>In accordance with IFRS, management performs at least annually, an impairment test of the cash generating units to which the goodwill is allocated to assess whether its recoverable amount is at least equal to its carrying value. The recoverable amount can be determined through different valuation techniques; the most regularly used by management being the discounted cash flow (DCF) model.</p>	<ul style="list-style-type: none"> • As part of our audit, we assessed the Group's process for determining and validating the future discounted cash flow forecasts of the cash generating units by performing the following procedures: • We satisfied ourselves of the reasonability of the future cashflows used by comparing them with the actual results and forecasts prepared by management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations;

Key audit matter	How our audit addressed the Key audit matter
<p>This matter was of particular significance to our audit as goodwill balances are material and management’s determination of future cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable amount involves significant judgment and estimates.</p>	<ul style="list-style-type: none"> • We used our own valuation specialists and tested the parameters used to determine the weighted average cost of capital, the organic growth rate, long term growth rate and tax rate to assess terminal value; • We tested management sensitivity analysis of the cash-generating units; • We assessed the adequacy of the disclosures in the consolidated financial statements.

Separately Disclosed Items (SDI)

The Group discloses “Adjusted Results”, in the Consolidated Income Statement, after the exclusion of “Separately Disclosed Items” (SDI).

SDI include expenses or income that management has elected to disclose separately in order to present the performance of the mature and recurring activities of the Group under the column “Adjusted Results”. The Group considers that these items, due to their nature, have an impact on the analysis of the underlying business performance and trends.

SDI are defined in a footnote at the bottom of the consolidated income statement and are detailed in the notes 1.29 and 2.3 of the consolidated financial statements. They are not covered by any IFRS.

This matter was of particular significance to our audit as the consistency of classification between “Adjusted Results” and “Separately Disclosed Items” is important in understanding the financial performance of the Group and is a matter of significant judgement.

- We assessed the appropriateness of the definition of SDI and their consistency compared to prior year;
- We assessed whether the material items included within SDI were appropriately classified;
- We checked the completeness of items to be classified as SDI by obtaining the details of the significant non-recurring transactions and assessing their proper classification either in SDI or “Adjusted Results”;
- We reperformed the calculation of SDI;
- We assessed the adequacy of the disclosures in the consolidated financial statements.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.



Report on other legal and regulatory requirements

The Management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, which is included in the Corporate Governance Statement, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 20 April 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

Other matter

The Corporate Governance Statement includes, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 2 March 2018

A handwritten signature in black ink, appearing to read 'G. Vanderweyen', with a horizontal line extending from the end of the signature.

Gilles Vanderweyen

3 Annual accounts - EUROFINS SCIENTIFIC S.E.

Profit and Loss Account

January 1, 2017 to December 31, 2017

EUR Thousands	Notes	2017	2016
Net turnover	4.1	560	505
Other operating income	4.1	602	725
Raw materials and consumables		-144	-193
Other external expenses	4.1	-1,834	-1,924
Wages and salaries		-199	-199
Social security costs		-88	-87
Staff costs	5.2	-287	-286
Value adjustments	2.2 / 2.3		
a) in respect of tangible and intangible fixed assets	3.1 / 3.2	-	-133
Other operating expenses		-183	-72
Income from participating interests			
a) derived from affiliated undertakings	4.2 / 3.3	71,000	70,050
Other interest receivable and similar income	4.3		
a) derived from affiliated undertakings		11,010	9,143
b) other interest and similar income	2.13 / 2.16 / 3.12	4,464	8,402
Value adjustments in respect of financial assets and of investments held as current assets	2.4 / 2.6 3.3 / 3.4 / 4.4	-	506
Interest payable and similar expenses	4.5		
a) concerning affiliated undertakings		-7,437	-2
b) other interest and similar expenses	2.16	-83,038	-91,863
Tax on profit or loss	2.17 / 4.6	1,631	-476
Profit or loss for the financial year		-3,656	-5,618

The accompanying notes form an integral part of the annual accounts.

Balance Sheet

As of December 31, 2017

EUR Thousands	Notes	2017	2016
Fixed assets			
Intangible assets	2.2 / 3.1	-	-
Tangible assets	2.3 / 3.2	1	1
Shares in affiliated undertakings		3,482,245	1,977,437
Other loans		20	13
Financial assets	2.4 / 3.3	3,482,265	1,977,450
		3,482,266	1,977,451
Current assets			
Debtors			
Trade debtors			
a) becoming due and payable within one year	2.5	413	477
Amounts owed by affiliated undertakings			
a) becoming due and payable within one year	2.6 / 3.4	290,460	102,452
b) becoming due and payable after more than one year		235,269	129,780
Other debtors			
a) becoming due and payable within one year	2.5	20,072	16,667
Cash at bank and in hand / Transferable securities	2.7 / 3.5	491,564	574,398
		1,037,778	823,774
Prepayments	2.8 / 3.6	16,769	10,270
Total Assets		4,536,813	2,811,495
Capital and reserves			
	2.9 / 3.7		
Subscribed Capital		1,765	1,693
Share premium account		938,857	618,811
Reserves			
1. Legal reserve		154	154
2. Other reserves		631	631
Profit or loss brought forward		113,536	153,006
Profit or loss for the financial year		-3,656	-5,618
		1,051,287	768,677
Provisions			
	2.10 / 3.8		
Provisions for pensions and similar obligations		62	61
Other provisions		-	-
		62	61
Creditors			
Non convertible loans			
	2.11 / 3.9 / 3.11		
a) becoming due and payable within one year		363,800	57,105
b) becoming due and payable after more than one year		2,650,000	1,900,000
Amounts owed to credit institutions			
	2.12 / 3.10 / 3.11		
a) becoming due and payable within one year		230,552	1,204
b) becoming due and payable after more than one year		-	28,470
Financial instruments	2.13 / 3.12	239	1,659
Trade creditors			
	2.14 / 3.11		
a) becoming due and payable within one year		684	546
Amounts owed to affiliated undertakings			
	3.11 / 3.13		
a) becoming due and payable within one year		233,671	45,370
Other creditors			
	3.11		
a) Tax authorities		62	87
b) Social security authorities		83	33
c) Other creditors (becoming due and payable within one year)		954	77
		3,480,045	2,034,551
Deferred income	2.15 / 3.14	5,419	8,206
Total Capital, Reserves and Liabilities		4,536,813	2,811,495

The accompanying notes form an integral part of the annual accounts.

Notes to the annual accounts

NOTE 1 – GENERAL INFORMATION

Eurofins Scientific S.E. (“Eurofins” or the “Company”) is the ultimate parent company of the Eurofins Group (the “Group”) which owns and finances, either directly or indirectly, its subsidiaries throughout the world.

Eurofins and its subsidiaries operate more than 400 laboratories across 44 countries in Europe, North and South America and Asia-Pacific.

Eurofins believes it is the world leader in food, environment and pharmaceutical products testing and in agrosience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

Eurofins Scientific S.E. is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167 775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

The Company has a French branch located in Nantes, France, registered with the French Register of Commerce under the number RCS B 350 807 947. The main purpose of the branch is the management and administration of French subsidiaries.

The notes below are part of the annual accounts for the year closed the December 31, 2017 for a period of twelve months, from January 1, 2017 to December 31, 2017.

These annual accounts have been adopted for issue by the Board of Directors on February 27, 2018 and will be submitted to the Shareholder's Annual General Meeting for approval.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The main valuation rules applied by the Company are set out below.

2.1 – Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements (Luxembourg GAAPs) under the historical cost convention, in particular the law of December 19, 2002 as amended.

The principal accounting policies and valuation rules applied in the preparation of these statutory annual accounts are set out below. These policies have been consistently applied to all fiscal years presented, unless otherwise stated.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in the assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial years. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations and future events that are believed to be reasonable under the circumstances.

2.2 – Intangible assets

Software and patents

All capitalised software licenses are purchased externally and are booked at acquisition cost including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Amortisation on intangibles is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Software licenses	1-3 years
Patents	5 years

Goodwill

The goodwill corresponds to the value generated by the merger of Eurofins S.A. with Eurofins Scientific S.E. on July 28, 1997 with retroactive effect to January 1, 1997. Following the first application of the Luxembourg GAAPs, goodwill is amortised over an estimated useful life of five years.

This goodwill has been rented to the French subsidiary Eurofins Analytics France SAS as from January 1, 2001.

2.3 – Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost. They are depreciated over their estimated useful economic lives.

Depreciation on tangible assets is calculated using the straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Leasehold improvements	5-10 years *
Machinery and laboratory equipments	5 years
Office equipment	3 years
Vehicles	5 years
Office furniture	5 years

* with a maximum corresponding to the remaining lease period.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 – Financial assets

Shares in affiliated undertakings

Shares in affiliated undertakings are initially recorded at acquisition cost and are valued at the lower of acquisition cost or the market value.

The market value is determined by the net equity in case of independent operational companies and by a valuation according to the method of discounted cash flows for the holding companies including their subsidiaries.

These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.5 – Trade debtors and other debtors

Trade debtors and other debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Trade debtors include the income accrued but not invoiced nor received prior to the closing date.

2.6 – Amounts owed by affiliated undertakings

Amount owed by affiliated undertakings held as loans are valued at purchase nominal value including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.7 – Cash at bank and in hand

Cash at bank, cash in postal cheque account, cheques and cash in hand are recorded at nominal value.

Transferable securities are valued at the lower of purchase price, including expenses incidental thereto and market value in case of quoted instruments, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value (final published value in case of quoted instrument) is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The market value corresponds to the latest available quote on the valuation day for transferable securities listed on a stock exchange or traded on another regulated market.

2.8 – Prepayments

Prepayments are mainly related to financing activities. The costs related to the issuance of the non convertible loans and the amounts owed to credit institutions issued are amortised over the repayment period of each respective loan.

The effective financial costs including these expenses correspond to the normal market conditions for companies with a similar risk.

2.9 – Share-based compensation

The Company operates a number of equity settled, share-based compensation plans. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. No expense is charged to the profit and loss account over the vesting period.

2.10 – Provisions

Provisions for pensions and similar obligations

The Company participates in a retirement benefit obligation plan for the French branch as from 2011. The retirement benefit obligations are measured using the aggregate cost method. The provision recognised in the balance sheet is the present value of the defined benefit obligation at the balance sheet date. The Company recognises actuarial gains and losses in the profit or loss account.

Other provisions

Other provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.11 – Non convertible loans

The non convertible loans correspond to three hybrid instruments and four Eurobonds. They are recorded in the balance sheet at their nominal value increased of interest accruals.

2.12 – Amounts owed to credit institutions

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

2.13 – Financial instruments

The derivative financial instruments are initially recorded at cost. At each balance sheet date, gains and losses are recognised in the profit or loss account when realised. Unrealised losses are recorded in the profit and loss account of the period. Unrealised gains are not recognised in the profit and loss account of the period.

Exposure to currency exchange risk

The Company does not hedge its foreign exchange currency exposure, but covers the foreign exchange currency exposure of Eurofins GSC Finance NV (Note 5.3).

Exposure to other markets risks

The Group uses non-complex or complex derivative instruments in order to hedge its potential exposure to changes in market values of certain underlying assets that may arise in the future. The assets correspond to listed equity derivatives.

The Company does not own directly these instruments, but covers the potential exposure to changes in market values of certain underlying assets owned by one of its subsidiaries (Note 5.3).

Exposure to interest rate risk

In order to hedge the Company's exposure to interest rate fluctuations particularly related to its 2010 OBSAAR bonds and part of its 2011 Schuldschein loan, the Company has concluded hedging contracts in order to swap its floating interest rate against a fixed rate. These contracts are either with immediate or deferred effect.

2.14 – Trade creditors

Trade creditors are valued at their nominal value. Accrued expenses are non-invoiced charges at the closing date but related to the current period.

2.15 – Deferred income

Deferred income includes services invoiced during the period, which have not been delivered at the closing date. They are related to contracts for analysis and consultancy spread over several years or covering both periods Y and Y+1.

Deferred income also includes the premium paid by the hybrid instrument holders in July 2014 and amortised until the First Call Date of the hybrid instrument concerned (Note 3.14).

2.16 – Foreign currency translation

The Company maintains its books and records in Euro (EUR).

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Cash at bank is translated in Euros at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised losses are recorded in the profit and loss account of the period whereas gains are accounted for when realised.

2.17 – Income tax

The Company Eurofins Scientific S.E. is subject to Luxembourg income taxes.

From January 1, 2002, the French branch of Eurofins Scientific S.E. has opted for a tax unity with the French subsidiaries controlled at more than 95% as authorized by article 223 A of the “Code Général des Impôts” in France. In the French branch, the income tax for the period recorded in the Income Statement is the sum of:

- The income tax expense based on the taxable income of the French tax unity;
- The income tax expense corresponding to the indemnity to be paid at the time of exit from the tax unity of a former subsidiary whose tax losses were used during the period it was part of the tax unity;
- And any adjustments in relation to income taxes related to previous periods.

2.18 – Consolidation

The Company, as the parent company of Eurofins Group, prepares consolidated financial statements, which are published in accordance to the provisions of Luxembourg law and IFRS.

NOTE 3 – NOTES RELATED TO THE BALANCE SHEET

3.1 – Intangible assets

The movements for the year are as follows:

EUR Thousands	Concessions, patents, licences, trademarks and similar right assets	Goodwill acquired for consideration	Total
Gross book value - opening balance	176	662	838
Additions for the year	-	-	-
Disposals for the year	-	-	-
Transfers for the year	-	-	-
Gross book value - closing balance	176	662	838
Accumulated value adjustment - opening balance	176	662	838
Allocations for the year	-	-	-
Reversals for the year	-	-	-
Transfers for the year	-	-	-
Accumulated value adjustment - closing balance	176	662	838
Net book value - closing balance	-	-	-
Net book value - opening balance	-	-	-

3.2 – Tangible assets

The movements for the year are as follows:

EUR Thousands	Land and buildings and leasehold improvements	Plant and machinery	Other fixtures and fittings tools and equipment	Total
Gross book value - opening balance	51	586	142	779
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
Transfers for the year	-	-	-	-
Gross book value - closing balance	51	586	142	779
Accumulated value adjustment- opening balance	51	586	141	778
Allocations for the year	-	-	-	-
Reversals for the year	-	-	-	-
Transfers for the year	-	-	-	-
Accumulated value adjustment -closing balance	51	586	141	778
Net book value - closing balance	-	-	1	1
Net book value - opening balance	-	-	1	1

3.3 – Financial assets

EUR Thousands	Opening	Additions	Disposals	Closing
Cost				
Shares in affiliated undertakings	1,984,916	1,757,060	253,077	3,488,899
Other financial assets	13	7	-	20
Total	1,984,929	1,757,067	253,077	3,488,919
Value adjustment				
Shares in affiliated undertakings	7,479	-	825	6,654
Total	7,479	-	825	6,654
Net book value	1,977,450	1,757,067	252,252	3,482,265

Capital increases were carried out in the following subsidiaries during 2017 by contribution in cash:

- Eurofins GSC Finance NV for EUR 734,000K,
- Eurofins International Holdings LUX S.à r.l. for EUR 482,000K,
- Eurofins Clinical Testing Services France for EUR 109,979K,
- Eurofins Verwaltungsgesellschaft mbH for EUR 480K,
- Eurofins Genomics BV for EUR 51,645K.

The Company also created the following subsidiaries: Equipment Leasing Corporation LUX S.à r.l. for EUR 100K and Alpha Services Lux S.A. for EUR 25K.

The Company acquired Financière Amatsi. The shares of Financière Amatsi II and Amatsi Management have also been acquired from Eurofins Pharma France Holding SAS. These three companies have been merged in the Company, resulting in the contribution of Amatsigroup SAS and Immobilière Amatsi shares for EUR 127,059K, including goodwill resulting from the mergers. These operations also generated EUR 240,606K of additions and disposals in 2017.

In the context of the acquisition of Bio-access by the Group, there has been a contribution in kind of France Biologie Management shares for EUR 11,164K, which were sold, in November 2017 to France Biologie Holding SAS, for the same value. These operations generated EUR 11,164K of additions and disposals in 2017.

Eurofins Verwaltungsgesellschaft mbH has been sold within the Group for a value of EUR 130K with a loss on the period of EUR 350k (Note 4.5; gross book value after capital injection of EUR 480K: EUR 1,305K; reversal of value adjustment for EUR 825K).

Value adjustment: As of December 31, 2017, depreciation on subsidiaries stands at: Eurofins Product Service GmbH for EUR 6,654K (same as of December 31, 2016). At the balance sheet date, the Board of Directors has assessed the fair value of those financial assets and has reviewed the value adjustment if necessary.

Shares in affiliated undertakings (information based on the Balance Sheet as at December 31, 2017)

EUR Thousands	Registered office	Book value of capital held		% of capital held	Net turnover (Unaudited)	Result for the financial year (Unaudited)	Net equity (Unaudited)	Income from financial fixed assets (parent company)
		Gross	Net					
Eurofins Product Service GmbH	Storkower Str. 38c, DE-15526 Reichenwalde	10,420	3,766	100%	5,196	666	4,202	-
Eurofins France Holding SAS	Rue Pierre Adolphe Bobierre, 44000 Nantes	178,901	178,901	100%	-	-16	261,288	-
Eurofins GSC Finance NV	Avenue Herrmann-Debroux 48, BE-1160 Brussels	1,465,379	1,465,379	100%	-	60,421	1,610,042	-
Amatsigroup SAS	Parc de Genibart 31470 Fontenilles	127,059	127,059	100%	32,159	2,232	21,593	-
Immobilière Amatsi SAS	Parc de Genibart 31470 Fontenilles	0	0	100%	1,076	635	1,506	-
Eurofins Genomics BV	Bergschot 71, NL-4817PA Breda	55,076	55,076	100%	-	2,833	76,334	-
Eurofins International Holdings Lux S.à r.l.	23 Val Fleuri, Grand Duchy of Luxembourg	1,300,285	1,300,285	100%	-	-14,325	1,399,390	71,000
Eurofins International Support Services Lux S.à r.l.	23 Val Fleuri, Grand Duchy of Luxembourg	13	13	100%	-	8,036	10,141	-
Eurofins Clinical Testing Services France Lux S.à r.l.	23 Val Fleuri, Grand Duchy of Luxembourg	351,641	351,641	100%	-	-207	349,977	-
Equipment Leasing Corporation Lux S.à r.l.	2 rue Heinrich Heine L-7720 Luxembourg	100	100	100%	-	-	100	-
Alpha Services Lux S.A.	2 rue Heinrich Heine L-7720 Luxembourg	25	25	100%	-	-	25	-
		3,488,899	3,482,245					71,000

3.4 – Amounts owed by affiliated undertakings

EUR Thousands	2017	2016
Eurofins International Support Services Lux S.à r.l.	16,600	23,269
Eurofins International Holdings LUX S.à r.l.	74,531	-
Eurofins Genomics BV	1,783	1,683
Eurofins GSC Finance NV	6,321	9,390
Eurofins France Holding SAS	179,223	38,731
Eurofins Clinical Testing Services France Lux S.à r.l.	2	266
Amatsigroup SAS	123	-
Immobilière Amatsi SAS	861	-
Direct ownership	279,444	73,339
France Biologie Holding SAS	-	21,761
Other affiliated undertakings	9,802	6,220
Indirect ownership	9,802	27,981
Interests due on these advances	658	610
Debtors	556	522
Total short term advances	290,460	102,452
Amatsigroup SAS	19,510	-
Immobilière Amatsi SAS	3,328	-
Direct ownership	22,838	-
Eurofins France Biologie de Spécialité Holding SAS	91,823	109,959
Labazur Provence	36,915	-
Labazur Nice	29,806	-
Other affiliated undertakings	53,887	19,821
Indirect ownership	212,432	129,780
Total medium term advances	235,269	129,780
Total	525,729	232,232

Amounts owed by affiliated undertakings (receivables falling due within one year or less) are mainly related:

- for direct ownership, to cash advances to finance intercompany loans to direct or indirect subsidiaries or acquisitions of subsidiaries or dividends to be received;
- for indirect ownership, to cash advances for operating purposes (e.g. capex financing).

3.5 – Cash at bank and in hand / Transferable securities

EUR Thousands	2017	2016
Cash at bank and in hand	341,348	88,016
Transferable securities	150,216	486,382
Total	491,564	574,398

3.6 – Prepayments

3.6.1 – Prepayments

EUR Thousands	2017	2016
Prepayments	19	55

3.6.2 – Deferred charges

EUR Thousands	2017	2016
Deferred charges	16,750	10,215

EUR Thousands	2017	2016
At beginning of the year	10,215	12,838
Issuance costs	9,569	293
Amortisation of deferred charges	-3,034	-2,916
At end of the year	16,750	10,215

Issuance costs are mainly related to hybrid instruments and Eurobonds outstanding (Note 3.9).

3.7 – Capital and reserves

The movements for the year are as follows:

EUR Thousands	Subscribed capital	Share premium	Legal reserve	Other reserves	Profit brought forward	Profit or loss for the financial year	Total
At beginning of the year	1,693	618,811	154	631	153,006	-5,618	768,677
Allocation of previous year's profit/loss	-	-	-	-	-5,618	5,618	-
Dividend	-	-	-	-	-33,852	-	-33,852
Share capital and share premium increase	72	320,046	-	-	-	-	320,118
Profit or loss for the financial year	-	-	-	-	-	-3,656	-3,656
At end of the year	1,765	938,857	154	631	113,536	-3,656	1,051,287

Subscribed capital and share premium increased by EUR 320,118K through:

- exercise of stock options by employees (137,002 new shares have been issued);
- 7,494 new shares issued from the exercise of BSAAR;
- 23,277 new shares issued in relation with the acquisition of the non controlling interests in France Biologie Holding in August 2017;
- On November 2, 2017, Eurofins raised total gross proceeds of c. EUR 299 million following the issuance of 550,000 new shares to institutional investors, at a price of EUR 543 per share, representing a 3.0% discount to the closing price on 30th October, 2017, and no discount to the 1-month Volume Weighted Average Price (VWAP). Eurofins intends to use proceeds from the issuance towards financing identified potential acquisition targets.

The net loss of FY2016 (EUR 5,618K) has been fully allocated to retained earnings.

Additionally, an amount of EUR 33,852K has been taken out of retained earnings in order to distribute a dividend of EUR 2.00 per share for an amount of EUR 33,852K. Retained earnings stand at EUR 113,536K at the end of December 2017.

Detail of the Company's share capital and total number of shares outstanding:

Date	Number of Shares	Nominal value (in EUR)	Share capital (in EUR)
At beginning of the year (restated ¹)	16,926,141	0.10	1,692,614.10
Shares issued	717,773	0.10	71,777.30
At end of the year	17,643,914	0.10	1,764,391.40

¹ the number of shares has been restated following 171 BSAARs exercised in December 2016.

Stock option plans

Stock options are granted to directors and employees of the Company and of its direct and indirect subsidiaries. Movements in the number of share options outstanding are as follows:

Share options	2017	2016
At beginning of the year	835,876	794,682
Options granted *	211,085	216,660
Options exercised	-137,002	-129,801
Options expired	-81,155	-45,665
At end of the year	828,804	835,876

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

As at December 31, 2017, 828,804 stock options awarded are still outstanding. Further details can be found in the "Management Report".

Free shares

Free shares are granted to directors and employees. In accordance with article 8bis of the Company's articles of association ("capital autorisé"), the Board of Directors decided during meetings held on April 4, 2017 and December 13, 2017 to grant up to 14,340 capital-providing securities in the form of free shares, conferring the beneficiaries the right to subscribe for one share of the Company.

Movements in the number of free shares outstanding are as follows:

Free shares	2017	2016
At beginning of the year	10,481	-
Free shares granted	14,340	10,481
Free shares lost	-543	-
At end of the year	24,278	10,481

BSAAR warrants

The BSAAR warrants have been mainly subscribed by some business leaders of the Group. Movements in the number of shares to be possibly issued upon exercise of BSAAR warrants are as follows:

In potential new shares	2017	2016
At beginning of the period	7,772	8,292
BSAAR exercised	-7,494	-520
BSAAR forfeited	-278	-
At end of the year	-	7,772

2014 BSA Leaders Warrants

Upon decision and authorization granted by the Board of Directors of June 19, 2014, the Managing Director of the Company following a decision dated July 1, 2014 decided to issue up to 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58.

The subscription price was set at EUR 18.15 per 2014 BSA Leaders Warrant. 2014 BSA Leaders Warrant holders will have the option to exercise their 2014 BSA Leaders Warrants at any time starting 4 years from the date of subscription ie between July 1st, 2018 and June 30, 2022 inclusive.

Partial and optional acquisition price payments in Eurofins shares

At December 31, 2017, the overall number of Eurofins shares potentially deliverable is 0 share.

Class A beneficiary units

Until 30 June 2017 inclusive, Class A beneficiary units, which confer no right to dividends but a right to one vote, were allocated to holders of fully paid-up shares for which proof was provided of registration in the name of the same shareholder for at least three consecutive years.

The Annual General Meeting of Shareholders held on April 20, 2017 adopted changes to the Company's Articles of Association, in particular relating to Class A beneficiary units. As from July 1, 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

Consequently, the Company's shareholder Analytical Bioventures SCA decided to pay in July 2017 a cash contribution of EUR 640,000 equivalent to EUR 0.10 per Class A beneficiary unit.

The total number of Class A beneficiary units increased from 6,532,840 as of December 31, 2016 to 6,535,247 as of December 31, 2017.

Class B beneficiary units

Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by June 30, 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

In June 2016 and March 2017 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (2,000,000 in total) on the equivalent number of shares out of its 6,400,000 shares registered in a registered account for five consecutive years in the name of the Company's shareholder Analytical Bioventures SCA for a cash contribution of EUR 200,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units amounts to 2,000,000 as of December 31, 2017.

Voting rights

Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However as mentioned above, class A and class B beneficiary units ("part bénéficiaire de catégorie A" and "part bénéficiaire de catégorie B") carrying an extra voting right each can be allotted to all fully paid-up shares fulfilling conditions as specified in the last two paragraphs. As at December 31, 2017, a total amount of 8,535,247 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 26,179,161.

Own shares

As at December 31, 2017, the Company does not own any of its shares (same as of December 31, 2016).

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals to 10% of the subscribed share capital. This reserve may not be distributed.

3.8 – Provisions

EUR Thousands	Opening	Changes	Closing
Retirement benefit obligation	61	1	62
Other provisions	-	-	-
Total provisions	61	1	62

3.9 – Non convertible loans

The non convertible loans are composed of:

EUR Thousands	2017	2016
Eurobonds – short term	300,000	-
Interest due – Eurobonds and hybrids	63,800	57,105
Total – short term	363,800	57,105
Eurobonds – more than one year	1,650,000	1,300,000
Hybrids instruments	1,000,000	600,000
Total – more than one year	2,650,000	1,900,000

Hybrid instruments

EUR Thousands	2017	2016
Nominal amount	1,000,000	600,000
Interest due	30,880	29,171
Total	1,030,880	629,171

Hybrid instrument with a first call date on 31 January 2020:

In January 2013, Eurofins issued a EUR 150m hybrid instrument. In July 2014, Eurofins extended the size of its existing hybrid instrument, bringing the overall size of Eurofins' hybrid instrument to EUR 300m.

The hybrid instrument has a perpetual maturity, but is callable at par by Eurofins in January 2020. It bears a fixed annual coupon of 7.00% for the first seven years until first call, and a coupon of Euribor 3m + 818 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS 0881803646).

Hybrid instrument with a first call date on 29 April 2023:

In April 2015, Eurofins issued a new EUR 300m hybrid instrument. The instrument has a perpetual maturity, but is callable at par by Eurofins on the 8th year (first call date in April 2023). This hybrid instrument bears a fixed annual coupon of 4.875% for the first 8 years until first call, and a coupon of Euribor 3m + 701 bps thereafter if not called. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1224953882).

Hybrid instrument with a first call date on 13 November 2025:

In November 2017, Eurofins raised EUR 400m in its latest Euro hybrid instrument public issuance to further strengthen its balance sheet. The instrument has a perpetual maturity, but is callable at par by Eurofins on the 8th year (first call date in November 2025). This hybrid instrument bears a fixed annual coupon of 3.25% for the first 8 years until first call, and a coupon of Euribor 3m + a margin thereafter if not called. This margin may vary between 266.7bps to 516.7bps, depending on the various potential external credit rating scenario assigned to Eurofins by external rating agency/ies by November 2020 (and assessment of equity content given by external rating agency/ies to the instrument). The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS1716945586).

On these hybrid instruments outstanding in 2017, a first coupon of EUR 21m was paid in January 2017 (EUR 300m at 7%) and a second one of EUR 14.6m was paid in April 2017 (EUR 300m at 4.875%).

Eurobonds

EUR Thousands	2017	2016
Nominal amount	1,950,000	1,300,000
Interests due	32,920	27,934
Total	1,982,920	1,327,934

Eurobonds November 2018:

In November 2013, Eurofins issued an inaugural senior unsecured Eurobond for a nominal value of EUR 300m. The bonds have a five-year maturity (due November 26, 2018), and pay an annual coupon of 3.125%. The bonds are listed on the Luxembourg Stock Exchange under ISIN XS0996772876.

Eurobonds January 2022:

In January 2015, Eurofins raised EUR 500m through its second senior unsecured Eurobond public issuance. The bonds have a seven-year maturity (due January 27, 2022) and bear an annual coupon of 2.25%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1174211471).

Eurobonds January 2023:

In July 2015, Eurofins raised EUR 500m in its third senior unsecured Eurobond public issuance. The bonds have a seven and half-year maturity (due January 30, 2023) and bear an annual rate of 3.375%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1268496640).

Eurobonds July 2024:

In July 2017, Eurofins raised EUR 650m in its latest senior unsecured Eurobond public issuance. The bonds have a seven-year maturity (due 25 July 2024) and bear an annual rate of 2.125%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS1651444140).

The quoted value of the Company's Eurobonds as at December 31, 2017 is equal to EUR 308m for its Eurobond due in November 2018, to EUR 525m for its Eurobond due in January 2022, to EUR 544m for its Eurobond due in January 2023 and to EUR 665m for its Eurobond due in July 2024.

3.10 – Amounts owed to credit institutions

The amounts owed to credit institutions are detailed as follows:

EUR Thousands	2017	2016
Borrowings	230,000	28,648
Interests and commissions due	552	792
Bank overdrafts	-	234
Total	230,552	29,674

In 2016, Eurofins used credit lines in US Dollars with one bank for an amount of EUR 28,740K. At the end of December 2017, the entire nominal amount has been repaid.

In September 2017, Eurofins managed to set-up a new Negotiable European Commercial Paper programme ("NEU CP") for a maximum amount of EUR 500m. This programme is used to issue short term notes with a minimum size of 200,000 EUR and maturity of less than 1 year. At the end of December 2017, notes for EUR 230m were outstanding under this programme.

3.11 – Maturity of creditors

EUR Thousands	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Hybrid instruments	1,030,880	30,880	-	1,000,000
Eurobonds	1,982,920	332,920	500,000	1,150,000
Borrowings	230,000	230,000	-	-
Interests and commissions due	552	552	-	-
Trade creditors	684	684	-	-
Amounts owed to affiliated undertakings	233,671	233,671	-	-
Creditors for tax	62	62	-	-
Creditors for social security	83	83	-	-
Other creditors	954	954	-	-
Total	3,479,806	829,806	500,000	2,150,000

3.12 – Financial instruments

EUR Thousands	2017	2016
Financial instruments	239	1,659

The Company concluded interest rate hedging contracts with deferred effective dates for the period December 2017 to July 2018 for a total nominal amount of EUR 10m.

The fair value as at December 31, 2017 of these swap contracts is estimated at a loss of EUR 239K. The change in the fair value of the instrument of EUR 1,420K between 2016 and 2017 has been recognised in the profit and loss account in 2017.

3.13 – Amounts owed to affiliated undertakings

EUR Thousands	2017	2016
Eurofins Pharma France Holding SAS	130,280	-
Eurofins NSC Finance France SAS	89,153	30,697
Eurofins International Support Services LUX S.à r.l.	-	716
Total short term loans	219,433	31,413
Net amount due under the French Tax unity	13,875	13,843
Creditors	363	114
Total	233,671	45,370

The debt due to Eurofins Pharma France Holding SAS is related to the acquisitions of the holdings of Amatsi Group in December 2017.

Other amounts owed to affiliated undertakings (payable falling due in one year or less) are mainly related to the cash pooling agreement in France implemented between Eurofins NSC Finance France SAS and other Group affiliates in France.

3.14 – Deferred income

EUR Thousands	2017	2016
Deferred income	96	332
Premium received on hybrid instrument	5,323	7,874
Total	5,419	8,206

EUR Thousands	2017	2016
Premium received	7,875	10,433
Amortisation	-2,552	-2,559
At end of the year	5,323	7,874

The premium paid by the holders of the hybrid instrument issued in July 2014 is amortised straight-line until the first call date in January 2020.

NOTE 4 - NOTES RELATED TO THE INCOME STATEMENT

4.1 – Net turnover, other operating income and other external expenses

Net turnover is mainly generated by the sale of SNIF-NMR systems (Site-Specific Natural Isotope Fractionation-Nuclear Magnetic Resonance).

Other operating income relates to lease revenues billed to Eurofins Analytics France SAS and invoices for Group Support Services to Eurofins subsidiaries or Group Service Companies.

Other external expenses related mainly to Group Support Services costs invoiced by Group Service Companies, audit, legal and bank fees.

4.2 – Income from participating interests

Income from participating interests comes from dividends received from the Company's subsidiaries and gain on sale of Shares in affiliated undertakings (Note 3.3).

EUR Thousands	2017	2016
Dividends	71,000	70,050
Total	71,000	70,050

4.3 – Other interest receivable and similar income

EUR Thousands	2017	2016
Interests derived from affiliated undertakings (Note 3.4)	11,010	9,143
Other interests and financial income	3,044	3,163
Financial instruments (Note 3.12)	1,420	5,239
Total	15,474	17,545

Other interests and financial income have been generated by interests and gains from transferable securities for EUR 308K and net foreign exchange gains for EUR 2,736K (foreign exchange losses for EUR 1,979K offset by foreign exchange gains for EUR 4,715K).

4.4 – Value adjustments in respect of financial assets and of investments held as current assets

Value adjustments in respect of financial assets and of investments held as current assets are composed of:

EUR Thousands	2017	2016
Value adjustments of shares in affiliated undertakings (Note 3.3)	-	-100
Value adjustments of amounts owed by affiliated undertakings (Note 3.4)	-	606
Total	-	506

4.5 – Interest payable and similar expenses

The interest payable and similar expenses concerning affiliated undertakings are composed of:

EUR Thousands	2017	2016
Merger losses	7,076	-
Loss on disposal (Note 3.3)	350	-
Interest paid to affiliated undertakings	11	2
Total	7,437	2

In 2017, the merger losses are non-cash and related to the merger of the Company with the holdings of the Group Amatsi (Note 3.3).

The other interest payable and similar expenses are composed of:

EUR Thousands	2017	2016
Interest expenses on borrowings	1,698	2,274
Bonds interests	43,518	42,765
Schuldschein interest expense	-	5,550
Additional Schuldschein interest due to early repayment	-	5,267
Hybrid instruments expenses	34,782	33,066
Short term interests	4	15
Net foreign exchange loss	-	2
Financial expense on pension	2	8
Amortisation of deferred charges (Note 3.6)	3,034	2,916
Total	83,038	91,863

4.6 – Tax on profit or loss

In 2017, the tax income amounts to EUR 1,631K.

In 2017, the taxable income of Eurofins Scientific S.E. in Luxembourg is a loss of EUR 3 million. As of December 31, 2017, the Company held a tax loss to be carried forward of over EUR 42 million in Luxembourg.

In 2017, the taxable income of the French tax unity which is headed by the French branch of the Company is a loss of EUR 14 million. As of December 31, 2017, the French tax unity headed by the French branch of the Company held a tax loss to be carried forward of over EUR 112 million.

NOTE 5 – OTHER INFORMATION

5.1 – Related-party transactions

The Company is controlled by the company Analytical Bioventures SCA, the holding company of the Martin family. This company owns 36.3% of the Company's shares and controls 56.5% of its voting rights as of December 31, 2017.

Transactions with subsidiaries or with companies owning shares in Eurofins Group such as Analytical Bioventures SCA or with companies in which some members of the Company's top management have significant influence such as "International Assets Finance S.à r.l.", a subsidiary of Analytical Bioventures SCA, are not significant at the level of Eurofins Scientific S.E., except for the two cash contributions mentioned in Note 3.7.

5.2 – Personnel

5.2.1 – Weighted average Full Time Equivalent (FTE)

In 2017, the weighted average FTE stood at 2, same as 2016:

	2017	2016
Executive *	2	2
Total	2	2

* Employee numbers are weighted average "Full time equivalents" (FTE) during the period.

5.2.2 – Key management compensation of the Board of Directors

The aggregate compensation (including benefits) granted by the Company to the Board of Directors amounted to EUR 113K for the year 2017 (EUR 90K for the year 2016).

5.3 – Off-balance sheet commitments

5.3.1 – Detail of guarantees given related to financing

EUR Thousands	2017	2016
Amounts owed to credit institutions	-	28,470
Total	-	28,470

EUR Thousands	2017	2016
Guarantees given related to the financing of subsidiaries	53,424	108,489

- The Company has signed an intercompany foreign currency hedge agreement with its indirect subsidiary Eurofins GSC Finance NV to cover any foreign exchange impact relating to granting loans in currencies other than Euro to any Group affiliates. The impact of this agreement is an unrealised exchange gain of EUR 13,551K for Eurofins Scientific S.E. As of December 31, 2017, it is not recognised in the profit and loss account in accordance with the Company's accounting principles.
- The Company has signed an intercompany hedge agreement with one of its indirect subsidiaries to cover any marked to market value fluctuations and foreign exchange impact relating to an equity swap instrument in foreign currency. The impact of this agreement is an unrealised gain of EUR 24,998K for Eurofins Scientific S.E. As at December 31, 2017, it is not recognised in the profit and loss account in accordance with the Company's accounting principles.
- The Company has counter-guaranteed the Swedish insurance company "Försäkringsbolaget Pensionsgaranti" for all amounts due that this company should have to pay to the current and past employees of the Swedish companies, indirect subsidiaries of Eurofins Scientific S.E., for their pension obligations, for a maximum amount of EUR 13,675K.
- In the scope of a EUR 1,200K grant contract obtained in 2008 by Microchem Laboratories Ltd, the Company gave its guarantee to the Irish governmental agency which provided the grant that it will be liable in case of Microchem Laboratories Ltd failing to meet its contingencies related to this grant.

EUR Thousands	2017	2016
Guarantees given related to acquisitions	-	1,606

- In an agreement signed between the companies Eurofins Genomics BV and MWG Biotech AG, a guarantee was granted by the Company to the benefit of Eurofins Genomics BV, guaranteeing that Eurofins Genomics BV will at all times be in a position to timely meet its obligations towards the MWG Biotech AG minority interests under the "control and profit transfer" i.e. to pay :
 - A consideration "Abfindung" within the meaning of sec. 305 of the German Stock Corporation Act ("AktG")
 - A compensation "Ausgleich" within the meaning of sec. 304 of the "AktG".

5.3.2 – Detail of guarantees received

None.

5.4 – Post-closing events

Eurofins France Holding SAS has been merged with Eurofins Scientific SE with effect on January 5, 2018.



4 Auditor's Report on Eurofins Scientific SE's Annual Accounts

Audit report

To the Shareholders of
Eurofins Scientific SE

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Eurofins Scientific SE (the "Company") as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Company's Audit Committee.

What we have audited

The Company's annual accounts comprise:

the Balance Sheet as at 31 December 2017;
the Profit and Loss Account for the year then ended; and
the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014 (the "Regulation"), the Law of 23 July 2016 on the audit profession (the "Law") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and ISAs are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation.

We did not provide any non-audit services to the Company in the period from 1 January 2017 to 31 December 2017.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
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<i>Valuation of shares in affiliated undertakings</i>	
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As of 31 December 2017 the net book value of the shares in affiliated undertakings owned by the Company amounts to 3,482MEUR representing 77% of the total assets. As described in the notes to the annual accounts, they are valued at their acquisition cost, unless there are indications that the recoverable value has durably decreased.

The recoverable value can be determined through different valuation techniques; the most regularly used by management being the discounted cash flow (DCF) model.

This matter was of particular significance to our audit as management's determination of future cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable value involves significant judgment and estimates.

As part of our audit, we assessed the Company's process for determining and validating the future discounted cash flow forecasts of the Company's investments in affiliated undertakings and, when required, of their subsidiaries:

- We satisfied ourselves of the reasonability of the future cashflows used by comparing them with the actual results and forecasts prepared by management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations;
- We used our own valuation specialists and tested the parameters used to determine the weighted average cost of capital, the organic growth rate, the long term growth rate and the tax rate to assess the terminal value;
- We tested management sensitivity analysis of the valuation models;
- We assessed the adequacy of the disclosures in the annual accounts.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.



As part of an audit in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.



Report on other legal and regulatory requirements

The Management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, which is included in the Corporate Governance Statement, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 20 April 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

Other matter

The Corporate Governance Statement includes, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 2 March 2018

A handwritten signature in black ink, appearing to read 'G. Vanderweyen', with a horizontal line extending from the end of the signature.

Gilles Vanderweyen

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