



Eurofins signs agreement to acquire Lancaster Laboratories, Inc.

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Eurofins Scientific SE (Paris: EUFI.PA) has signed a definitive agreement to acquire Lancaster Laboratories, Inc. (Lancaster, PA, USA) from Thermo Fisher Scientific, Inc. (Waltham, MA, USA) for approximately US\$200m, subject to post-closing adjustments.

With approximately 1,100 employees in the USA and Ireland, Lancaster is the leading provider of pharmaceutical product testing services and cGMP Quality Control (QC) in North America. In addition, it operates one of the leading environmental testing laboratories in the USA. Lancaster has been growing rapidly over the last 50 years and generated sales of approximately US\$115m in 2010. Lancaster operates the largest single-site independent pharmaceutical product testing laboratory in the world.

With this bolt on acquisition, the Eurofins Group becomes the global leader in this very stable and recurring business and significantly enlarges its North American footprint. It is a further expression of Eurofins' commitment to serve the pharmaceutical and biotechnology industries with laboratory services of the highest quality and reliability. The acquisition reinforces the Group's leadership in terms of scale and quality of service on a wide range of laboratory activities for the pharmaceutical and biopharmaceutical industries in North America, Europe and Asia.

Lancaster is also one of the oldest, largest and most reputable environmental testing laboratories in the USA. It has a solid reputation for excellence in service quality and reliability and enjoys long standing relationships with many Fortune 500 clients. Lancaster's strong position and reputation for top quality service in environmental testing in the USA fit well with Eurofins' strategy of being the global market leader with a focus on providing high quality services to large global corporations.

Completion of the transaction is expected in the next 2-3 months and is subject to applicable regulatory approvals and customary closing conditions. Implied EV/EBITDA multiple is in-line with levels previously communicated for transactions of this size and Eurofins' value-creation objectives. Given that Lancaster is already a single-site laboratory in the USA, no site consolidations or restructuring costs are foreseen as a result of this acquisition. Based on Lancaster's historic profitability and budget for 2011, the transaction should be immediately margin and EPS accretive for Eurofins.

About Eurofins' Pharma Services

Eurofins Pharma Services support the pharmaceutical and chemical industries along five key areas:

- Eurofins/MWG Operon, the Group's flagship **Genomic Services** brand, is a world-leader in genomic analyses including custom and genomic DNA sequencing, oligonucleotide and

gene synthesis, pharmacogenomics and a range of molecular biology services. Eurofins' logistical network allows it to integrate these services into each phase of the pre-clinical and clinical studies.

- In the **pre-clinical** phase, Eurofins Pharma Services mainly encompass pharmacology, bioanalytical and pharmaceutical analysis, translational medicine and Phase I studies.
- In the **clinical** phase, Eurofins Pharma Services, through Eurofins Medinet, operates one of the industry's leading global **Central Laboratory** Networks with wholly-owned facilities in the USA, the Netherlands, France, Singapore, China, and soon in India, all operating in an identical, harmonized manner.
- Eurofins' comprehensive (bio)**pharmaceutical product testing or cGMP Quality Control (QC) Services** span the complete product development cycle from impurities analysis, stability studies, through to packaging and hygiene monitoring in North America and Europe.
- Eurofins' **Agroscience/Research** conducts studies and laboratory testing required for the development and registration of chemical, biotechnological and agrochemical products. Eurofins' agroscience/research activities also include services covering REACH initiatives, which involve the analysis and registration of 30,000 chemical substances used by industries according to the EU directive.

The Group's activities in genomics, pharmaceutical product testing (the main activity of Lancaster) and Agroscience have proven particularly resilient and have continued to grow throughout the recent recession, whilst pre-clinical and clinical services have been subject to variations in research spending of the pharmaceutical industry during the past two years following a decade of exponential growth. Eurofins' management, therefore, is optimistic that strengthening its footprint in pharmaceutical product testing should create immediate value for the Group given the visibility in growth and stability in earnings within this market.

About Eurofins - Global leader in bio-analysis

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

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

The Eurofins Group is the world leader in food testing and one of the global market leaders in pharmaceuticals and environmental testing. It intends to pursue its dynamic growth strategy and expand both its technology portfolio and its geographic reach. Through R&D and acquisitions, the Group draws on the latest developments in the field of biotechnology to offer its clients unique analytical solutions and the most comprehensive range of testing methods.

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

For further information please contact:

Investor Relations
Phone: +32-2-769 7383
E-mail: ir@eurofins.com

The shares of Eurofins Scientific are listed on the NYSE Euronext Paris Stock Exchange (ISIN FR0000038259, Reuters EUFI.PA, Bloomberg ERF FP).

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