

Eurofins tops up hybrid bond to further optimize balance sheet

11 July 2014

Eurofins announces today that it has successfully extended the size of its existing hybrid bond originally issued in January 2013 as follows:

- Issuer: Eurofins Scientific S.E. (unrated)
- Tap size: **€150m*** (current outstanding €150m)
- Yield to call date: **5.000%** (issue price of 109.431%)
- Settlement date: 18 July 2014
- Admission to trading: Frankfurt Borse Open Market (Freiverkehr). The bonds will not be listed and/or traded on any regulated market, exchange or exchange regulated market
- Temporary ISIN code: XS1088805897
- Original ISIN Code: XS0881803646
- Fungibility with existing bonds: 40 days after settlement date
- Global coordinator: HSBC
- Joint bookrunners: BNP Paribas and HSBC

Which brings the overall size of Eurofins' Hybrid capital up to EUR 300m. Other terms and conditions of the original deeply subordinated fixed to floating rate bonds issued in January 2013 remain unchanged.

The securities were placed with institutional investors around Europe, with the transaction well received and completed very swiftly. The transaction provides additional liquidity and further optimizes the Group's balance sheet in light of its objective of doubling in size to reach EUR 2bn in revenues through organic growth, as well as acquisitions. Given that the bond is accounted for as 100% equity according to international financial reporting standards (IFRS), it allows the Company to maintain substantial headroom in its financing capacity as debt ratio is kept well below its debt covenant limit. At the end of 2013, Eurofins' net debt stood at EUR 386.8m, implying net debt to adjusted** EBITDA*** of 1.76x, compared to the limit of 3.5x.

Following an intense investment activity since the beginning of 2014 particularly on the M&A side with the acquisition of 12 companies year-to-date for an annual turnover in excess of EUR 150m including ViraCor-IBT in the USA which was closed on last 1st July for a purchase price of \$255m, the Group's total net debt increased accordingly. The tap of EUR 150m* on Eurofins hybrid bonds will enhance Eurofins' balance sheet and credit profile, with the dual effect to reduce net debt and further lower the average cost of its hybrid capital down to 6.0%. Therefore, the increase in the hybrid bond, along with increased free cash flow generation, reinforces Eurofins' funding position to drive growth without raising leverage risk. Along with the EUR 300m proceeds from the Group's inaugural Eurobond issued in November 2013, the Group is well-funded for both its organic and external growth plans.

Dr Gilles Martin, CEO, comments, "The extension of the hybrid bond further strengthens Eurofins' balance sheet and enhances our ability to execute on our business plan of growing organically and

through selective acquisitions, whilst delivering high returns on capital and minimizing risk. We believe that we are comfortably funded with our current suite of financing instruments and our continuously improving free cash flow generation to take advantage of opportunities swiftly. Our capital structure allows us to pursue growth opportunities regardless of financial market developments.”

- * Nominal value. In cash terms, the transaction raised EUR 169m (EUR 164.2m in gross proceeds plus EUR 4.8m on accrued coupon).
- ** Adjusted – reflects the ongoing performance of the mature and recurring activities excluding “separately disclosed items”.
Separately disclosed items – includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions and the related tax effects (Details in Note 2.3 of the Annual Report).
- *** EBITDA – Earnings before interest, tax, depreciation and amortization

For more information about Eurofins, please visit www.eurofins.com or contact:

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Notes for the editor:

Eurofins – a global leader in bio-analysis

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

With over 15,000 staff in more than 190 laboratories across 36 countries, Eurofins offers a portfolio of over 100,000 reliable analytical methods for evaluating the safety, identity, composition, authenticity, origin and purity of biological substances and products. The Group provides its customers with high-quality services, accurate results 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 the most comprehensive range of testing methods.

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

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

Important disclaimer:

This press release contains forward-looking statements and estimates that involve risks and uncertainties. The forward-looking statements and estimates contained herein represent the judgement of Eurofins Scientific' management as of the date of this release. These forward-looking statements are not guarantees for future performance, and the forward-looking events discussed in this release may not occur. Eurofins Scientific disclaims any intent or obligation to update any of these forward-looking statements and estimates. All statements and estimates are made based on the information available to the Company's management as of the date of publication, but no guarantee can be made as to their validity.